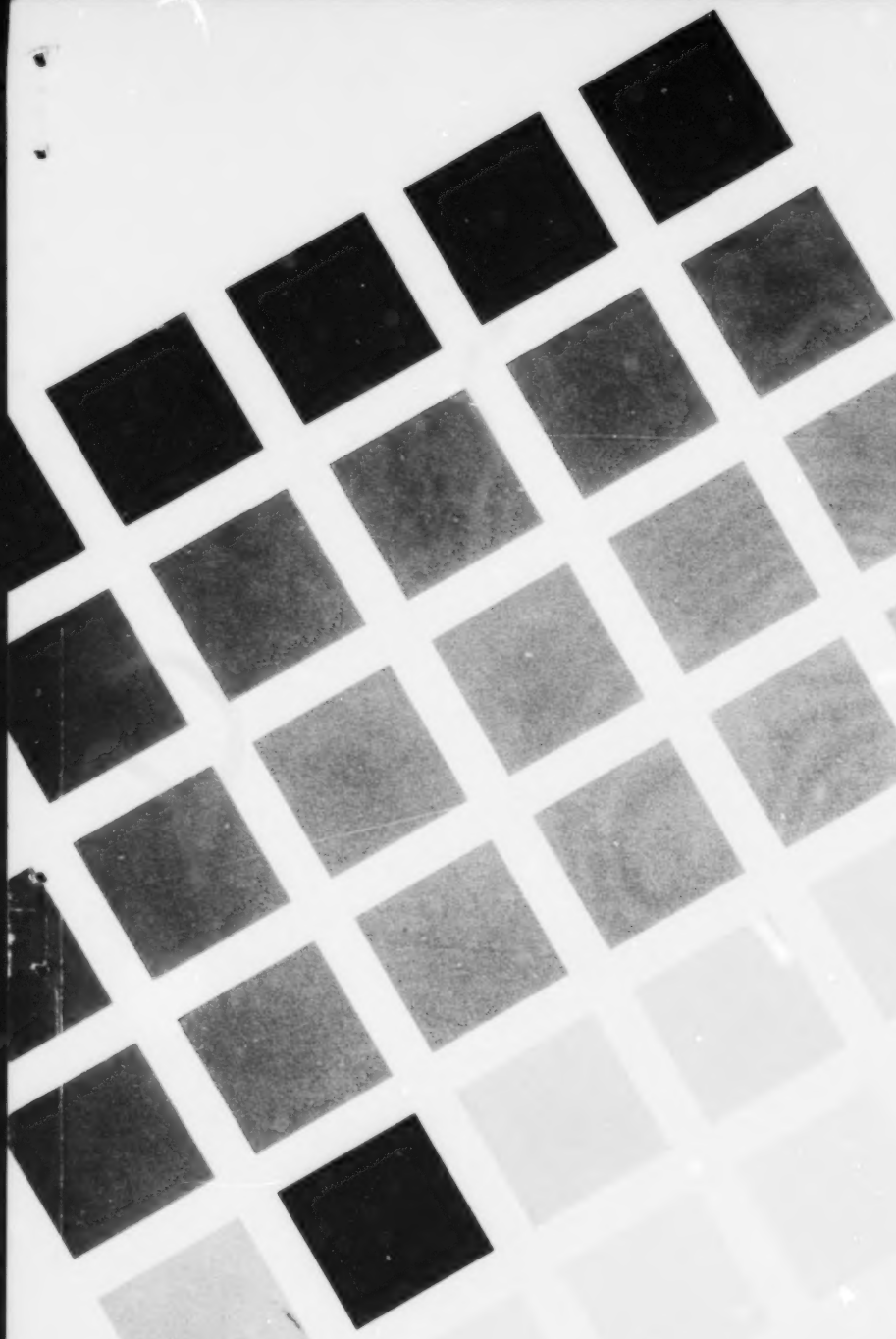
23 PLANNING FOR DAYCARE IN THE CITY OF TORONTO

Past and Future Initiatives



Cityplan '91

City of Toronto
Planning & Development
Department

Robert E. Millward
Commissioner

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92-07836/

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June 1991

$ 7 (shipping and handling extra)

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Executive Summary

This report has been prepared as a background paper of Cityplan '91, the City of Toronto's review of its Official Plan. The purpose of this paper is to review the City's current policies with respect to the encouragement of daycare services within the City as a whole. However, a particular emphasis has been placed in the Central Area where a number of the City's past initiatives have been concentrated. The anticipated growth in the development of social housing within the Central Area will undoubtedly identify it as an area in need of additional resources in the future.

The City has demonstrated an unprecedented level of municipal support for non-profit, community-based daycare agencies through the provision of salary enhancement grants, as well as rent-free space within City-owned buildings. These initiatives have served to strengthen and expand the level of daycare services across the City.

The City of Toronto was also the first municipality to use Section 36 of the Planning Act as a method of securing private sector funds for the construction and equipping of daycare facilities within new mixed-use commercial residential development. Additional densities were granted to private developers ion exchange for on-site or near-site facilities.

This paper also examines the child population figures for the Central Area. Between 1981 and 1986, the Central Area experienced the highest growth in the numbers of children aged 0 to 4 years within the City, as well as Metropolitan Toronto. All areas experienced a decline in the numbers of 5 to 9 year old children, however the Central Area has experienced the slowest rate of decline within this age category.

In addition, many children are travelling into the Central Area to attend daycare because it is close or on the way to their parents' place of work. Central Area daycare centres receiving the City of Toronto Daycare Grant report that 30% of children are enrolled for that reason. Forty-two percent of families are using the centres because they are close to their place of residence. The remaining 28% are using Central Area daycare centres because of high quality or specialized programming.

These resident and non-resident families using daycare create a higher demand for services within the Central Area. In February, 1990, the Daycare Grant recipients within the Central Area reported that there were 1,577 children waiting for a licensed daycare space. When compared to other areas within the City, the demand for services within the downtown core is higher.

The recent funding restrictions on the numbers of new subsidies for low income families has had a profound effect on Central Area daycare centres. While demand for the service is high, many parents on daycare centres' wait lists require a fee subsidy administered through Metropolitan Toronto's Children's Services Division. The lack of available funding has resulted in a situation where daycare centres simultaneously have wait lists and vacancies. As the funding restraints imposed by the Provincial and the Federal Governments persist, the centres' ability to remain financially viable will come into question. There is clearly a role for the City to play with respect to the encouragement of increased spending for daycare on the part of the more senior levels of government responsible for operational funding for daycare.

The paper will also examine the strengths and weaknesses of the City's current workplace daycare policy, and the use of density bonuses as an incentive. Various options for alternate methods of securing private sector funds for the provision of daycare facilities, including some American examples, are also explored.

The intention of this document is to stimulate discussion regarding the City's role with respect to the encouragement of non-profit daycare services in general, with an emphasis on the land use approval process as the vehicle.

1

Introduction

As the largest area municipality within Metropolitan Toronto, the City has often responded decisively to public concern about the availability, accessibility and affordability of licensed daycare services. The City has initiated a range of innovative policies and programs that have been instrumental in the development and enhancement of non-profit daycare services for residents and employees in Toronto.

City policies on daycare are a complement to land use policies that support and sustain neighbourhoods across the City, and that weigh the balance of commercial development through the enhancement of public benefits.

As part of Cityplan '91, this paper will examine the existing policies and programs and will make recommendations regarding strategies for the next decade.

2

Daycare definitions

Daycare is defined in the Day Nurseries Act of Ontario as non-parental care of more than 5 children, not of common parentage, aged 0 to 12 years . Children may not be in care for a continuous period which exceeds more than 24 hours. Care can be provided in someone's home, or in group settings such as schools, churches or workplaces.

Daycare must be licensed and regulated through the Ministry of Community and Social Services.

Daycare facility is the term used to describe the physical setting which a group daycare centre occupies. The facility includes both the indoor and outdoor space required to run a licensed program. In general, group daycare centres provide service for 6 children or more.

Daycare is often used interchangeably with the term **child care**. Many child care advocates have chosen to use this term because it acknowledges the need for non-parental care beyond the traditional work day. Advocacy groups are promoting a range of licensed or monitored child care options and family support initiatives including extended paid parental leaves, part-time and emergency care, and care to meet the needs of shift workers. The **child care centre,** a term often used to describe a licensed group care situation, is the "hub" of these range of services. This paper retains the use of the term **daycare** because it is the defined term in the Zoning By-law.

Licensed care is also offered through **private home daycare programs**. This system entails the licensing of agencies by the Ministry of Community and Social Services, which in turn contract with private individuals to care for a maximum of 5 children within their homes. The agency screens and supervises the homes and the care-givers for their appropriateness and suitability.

Licensed daycare is available to children aged 0 to 12 years. The Provincial legislation governing daycare, the **Day Nurseries Act**, defines age groupings within the

this age range. Group sizes and child/staff ratios are specified for each distinct age group.

Infants are defined as children aged 0 to 18 months, **toddlers** are aged 18 to 30 months, **preschoolers** are 2 1/2 to 5 years, **school age** children are 6 to 9 years. The Day Nurseries Act was recently amended to include children aged 10 to 12 years. Programs serving this age group are termed **"Ten Plus"** programs. Because this change is relatively recent, very few licensed programs for these children exist.

The City of Toronto Act defines **social housing** as accommodation provided by a non-profit corporation or co-operative for low to moderate income people. The rents charged may not exceed the cost of financing, operating and maintaining the housing project. Alternatively, it may be defined as accommodation which does not charge occupancy costs in excess of an amount determined in an agreement between a non-profit housing provider and the provincial or federal governments.

3

The need for daycare

The demand for child care services has risen steadily over the past few years largely as a result of the increasing rate of women's participation in the labour force. The 1986 Census data indicates that 63% of women residing within the City of Toronto with children under the age of six are in the paid labour force.

The Census data does not include specific information regarding women with children under the age of 3 years, however research conducted by the Labour Force Survey Division of Statistics Canada in 1984 shows that 57% of women within Ontario with children in this age group are working. The same research also indicates that the majority of working women with children aged 0 to 5 years are employed full-time. Seventy-eight percent were employed full-time and 22% were employed part-time.

The demand for child care and the lack of sufficient spaces is a long-standing problem, and has been well documented over the past several years. According to the Municipality of Metropolitan Toronto's Children's Services Division, only 27% of all children in Metropolitan Toronto who need licensed child care have access to it. The remaining 73% are placed in unregulated, unlicensed care of uncertain quality.

The acute need for daycare services has established it as a very important issue for staff and employers, as well as the people involved in the planning of neighbourhoods and work environments.

Central Area demographics

The Central Area has been identified as the area bounded by the Lake Ontario to the south, the Don Valley to the East, Bathurst Street to the West and the CPR North Toronto Line and Rosedale Valley Road to the North. The area also extends to Woodbine Avenue in the east, south of Eastern Avenue, and to Dufferin Street in the west, south of Queen Street. A map of the Central Area is contained within Appendix A.

This area encompasses the Financial District, and much of what is generally considered to be the Downtown core. It is most often thought of as a place of work, and certainly great numbers of people enter the area every day for that purpose. However, there are many residents in the Central Area as well.

The Central Area has developed into a place of residence of diverse character. The 1986 Census indicates that the total number of residents was 132,730. From 1976 to 1986, while the population throughout the rest of the City declined, the Central Area population increased by 19,468. This represents a 17.2% rise in population.

The mix of commercial and residential needs with respect to community services makes the planning and provision for the future very challenging.

Population data

The Central Area is generally perceived to be populated by single, well educated, fully employed adults in their early thirties. However, Census data indicate increasing numbers of young children living in the Area. This section describes the growth in child population, family household type, as well as family income.

General population data

The 1986 Census information regarding numbers of children residing in the Central Area indicates that the overall growth within the age categories is rising, both in terms of the overall percentage of the general population, as well as in the total numbers of children. Comparisons with the rest of the City, as well as Metropolitan Toronto are provided in Appendix B.

In all areas, the numbers in the younger age group have increased, while the older age groups have experienced a small decline in numbers. The Central Area has experienced slight growth in both the 0 - 4 year age group, as well as in the 5 - 8 year group. There has been a decline in the number of 10 - 14 year old children.

In the summer of 1989 the Central Area Residents' Survey (CARS) was conducted by the Planning and Development Department in an effort to determine any fluctuations in the demographic patterns within the Area and the resultant changes in population needs since the 1986 Census. A representative sample of 2,833 households was chosen from the approximately 70,000 households within the Central Area. A response rate of over 40% was achieved.

The findings of the CARS Report indicate that only 11% of households defined as families include children. However, the average number of children per household is double the average found in the 1986 Census. According to the data collected, children comprise approximately 7% of the total population of Central Area residents.

The survey respondents were asked to identify a number of services offered within the Central Area which were in need of improvement. Forty-two per cent indicated that daycare services fell within this category. Unfortunately, the wording of the question does not clearly indicate the nature of the improvement. Some residents may seek additional child care services while others may seek an improvement in program quality.

Residents along the Lakeshore and in social housing developments, where there are a number of young families, did not respond as frequently as residents in other parts of the Central Area. The 1986 Census figures indicate there might in fact be more children than indicated in the CAR Survey.

School enrolment

Information regarding total enrolments in Central Area public schools within the Toronto Board of Education indicates that most are either operating at or over capacity. Overall, Central Area schools are 6% above capacity. They represent 17.7% of the City-wide enrolment and 17.3% of the total Toronto Board of Education's capacity.

A comparison of enrolment figures for junior public schools for 1981, 1986 and 1989 is described in Table 1.

The majority of Central Area schools (15 out of 19) house daycare programs. These schools generally have enrolments close to capacity or above. The schools closest to the Downtown core tend to have the highest enrolment.

When surveyed, daycare centres located in these schools reported increasing numbers of parents choosing to enrol their children in Downtown schools either because of the proximity to the workplace and/or the lack of appropriate child care services within the home community. (A more detailed description of the survey of Central Area daycare centres is contained within section 3.2d)).

While the school boards do not currently have data on the numbers of children coming from outside of the Central Area, staff from the Toronto Board of Education have noted that increasing numbers of out-of-district families are utilizing the schools in the Downtown area. This trend seems particularly prevalent when schools also house a daycare program.

Table 1
Enrolment Figures

School	Capacity	1981	1986	1989
Ward 4				
Niagara Street*	221	130	191	205
Ward 5				
A.L.P.H.A.*	159	51	69	91
Downtown Alternative**	—	70	82	
Kensington*	258	458	314	246
King Edward*	444	486	412	421
Lord Lansdowne	422	502	474	461
Ogden*	216	230	244	259
Orde*	310	262	266	391
Ryerson*	562	779	666	562
Ward 6				
Church Street*	172	178	170	179
Market Lane*	184	—	302	343
Ward 7				
Lord Dufferin*	542	609	628	540
Park*	551	540	557	514
Regent Park*	454	327	399	390
Rose Avenue*	354	368	359	412
Sprucecourt	409	432	448	469
Winchester	518	357	527	502
Ward 13				
Huron*	400	482	439	474
Jesse Ketchum*	450	526	475	464
Total	**6,626**	**6,717**	**7,010**	**7,005**

* school houses a daycare program
** A.L.P.H.A. and Downtown Alternative are both located within Brant Street Public School, and so the capacity listed is for the school as a whole. Brant Street also houses a daycare centre.

Family demographics

The Census data shows that there is a higher percentage of couples with no children, and of lone parents in 1986 when compared to 1981. In addition, the overall size of families also seems to be decreasing. Appendix C compares the Central Area, the City of Toronto and Metropolitan Toronto according to family composition.

The Central Area trend towards higher numbers of single parents is not unique. Percentages within this category are increasing in the other areas as well. These findings are in concurrence with the results of the CARS report stated earlier.

Overall, there is a slightly higher percentage of couples with no children in the Central Area than in the City of Toronto and in Metropolitan Toronto.

Family Income

The incomes of Central Area families are described in Appendix D.

Not surprisingly, female lone parents comprise the majority of single parents. The total family income in female-led single parent homes is substantially lower that either the single father or two-parent family categories. Census data also indicate that most single parent families reside in rental accommodation and over one third fall within the lowest family income decile.

The Central Area Survey data provides more precise information regarding single parents. For instance, single parent families are more likely to live in rented units in high-rise buildings than any other family type. Seventy-seven percent of the single families who responded to the survey reported being housed in this manner.

In addition, 44% of all of the single parent respondents reported incurring shelter costs in excess of the generally accepted ceiling of 30% of total household income. Further analysis shows that 68% of the single parent families residing in social housing pay more than 30% of total income on housing, and 54% are paying more than 40%. This is reflective of both the low levels of income of the residents in social housing projects, as well as the fact that not all residents receive rent supplements.

When compared with two-parent families, it is not surprising to find that single parent family income levels are generally lower, and a higher proportion of the total household income is dedicated to housing costs.

Single parents have a recognizably acute need for subsidized child care. However a number of two-parent families also qualify for assistance. The determination of eligibility is not done by an income test, but rather by a means test. However, it is estimated that in 1986, a two-parent family with two children qualified for a partial subsidy, with a total household income of $35,940. According to the family income data contained within Appendix E, approximately 45% of all families were eligible for a subsidized daycare space. In 1990, the upper limit of eligibility for subsidy rose to approximately $45,000.

Summary

In summary, the 1986 Census data indicate that numbers of young children residing within the Central Area have increased. As well, daycare centres are reporting a high percentage of families from outside of the Central Area using daycare within the Downtown core.

In addition, the incidence of single parenthood is also on the rise. Single parents are much more likely to spend more than the accepted 30% level of total household income on housing, and are much more likely to live in high-rise rental accommodation.

The need for child care services, coupled with the parents' inability to pay for them, has resulted in the need for a high proportion of subsidized spaces within Central Area daycare centres. This issue affects a significant proportion of parents who are likely to need care for their young children.

Present levels of service

The City of Toronto has long been recognized as being a leader with respect to the encouragement of licensed daycare and the support of non-profit daycare services. Consequently, the City has one of the oldest and most established network of daycare services in the country.

This section deals with the availability of care, and the barriers to its expansion.

Licensed spaces

Daycare centres are licensed by the Ministry of Community and Social Services to care for a maximum number of children, using the Day Nurseries Act as a guide. In the City of Toronto there were 9,223 licensed group care spaces as of February of 1989. The Central Area houses 2,664 of the total number of these spaces.

The non-profit community-based programs, which receive the City of Toronto Daycare Grant, represent 67% of the total number of licensed group spaces. The remainder are provided by community colleges, Metro and the commercial sector. Appendix F contains a map describing the location and the operators of all licensed group daycare programs within the Central Area.

In addition to the spaces available in the group care programs, there are also licensed spaces available through private home daycare. This type of care involves the licensing of agencies which in turn contract with caregivers to look after children in their home.

The turnover rate of caregivers makes it difficult to accurately assess the number of spaces. However, the agency providing the majority of private home daycare spaces within the Central Area estimates that the average number of children enrolled in the program is 120.

Informal discussions with private home daycare agencies have indicated that the availability of this type of care within the Central Area is limited. The vast majority of caregivers are women who are at home looking after children of their own. The availability of this type of labour is not abundant within the Central Area. Therefore, there have been very few opportunities to expand the service within the Downtown core.

Subsidized spaces

Parents in need of assistance with their daycare fees may apply to Metro Children's Services for a subsidized space. In Ontario, upper tier municipalities administer and fund a portion of daycare subsidies, which are cost-shared with the provincial and federal governments.

Subsidies can be used in centres which have entered into a purchase of service agreement with Metro. Parents may specify their first and second choice of centres for placement of their child(ren), but are notified whenever an appropriate space becomes available.

Metro Children's Services data (February, 1989), indicate that 4,457 spaces (or 57.9%) in the City were utilized by children whose families were eligible and able to obtain a government subsidy. Using this percentage for the Central Area, it is estimated that approximately 1,500 of the total number of 2,664 spaces would be subsidized.

The remaining spaces are utilized by fee paying parents. Data collected from the Metro-wide wait list in February, 1989 for the City of Toronto indicates the following breakdown of need according to age group:

Table #2
Group care availability*

	Waiting	Vacant	Ratio (# waiting:# vacant)
Infants	399	10	39.9:1
Toddlers	128	55	2.3:1
Preschool	291	217	1.3:1
School age	102	182	.6:1
Total	**920**	**464**	**2.0:1**

* *These figures were obtained from the Metro-wide wait list for the City of Toronto in February of 1989.*

The high ratio of parents waiting for a vacant infant spot is reflective of the severe shortage of care for children within this age group. The high costs associated with the provision of care for younger children is a strong disincentive to operators considering expansion of their current program to serve infants and toddlers.

The relatively low ratio of parents waiting for school aged care is the result of the policies of the Toronto Board of Education and the Metropolitan Separate School Board which encourage the use of vacant classroom space for programs serving school age children.

Subsidies are administered by Metro Children's Services, and are allocated to each area municipality based on child population. There are approximately 18,087 subsidies available to families across Metro.

Subsidies are granted to the family, and not to each individual daycare centre. However, it is possible for a City of Toronto resident to obtain a subsidy, and to use it in another area municipality. Conversely, it is possible for residents of other municipalities to obtain a subsidized space within the Central Area.

The demand for subsidized care far exceeds the availability of funding available to provide the care. In 1988, the Province of Ontario refused to fund Metro's request for the funds required to create an additional 3,000 subsidized spaces. Similar requests to expand the number of subsidized spaces within Metropolitan Toronto in 1989 and 1990 have also been refused.

The shortage of subsidized care has had a profound effect on equitable access to licensed child care services. Centres that have a large waiting list of families eligible for subsidy have had great difficulty filling vacant spaces. While there may be a vacancy within the centre, the parent may not be at the top of the Metro subsidy wait list. In many cases, families requiring a subsidy must wait several months for the subsidy to become available.

Centres cannot operate with vacancies for an extended period of time and still remain financially viable. Consequently, many centres are accepting full fee paying parents while by-passing subsidized families that have been waiting longer. Subsidized families are forced to delay plans to return to work or further their education.

Centres that cannot attract fee paying clients are forced to operate with vacant spaces until a subsidized space can be obtained for someone on their waiting list. These centres are often located in low-income areas, such as St. James Town and Regent Park, and are incurring operating deficits on an annual basis. Centres created to serve these communities are increasingly in danger of having to close their doors.

Centres' wait lists

Each daycare centre maintains its own individual wait list, which is usually comprised of potential fee paying families, as well as subsidized ones. These lists are a more accurate reflection of demand because both client groups are represented.

According to information obtained as part of the administration of the City of Toronto Daycare Grant program, there are 4,172 families on centres' wait lists. The licensed capacities of all of the Daycare Grant applicants totals 6,231 spaces. Therefore, the wait lists comprise 67% of the total number of licensed spaces. Table 5 contains a comparison of numbers of families on wait lists compared with the numbers of licensed spaces, according to four areas of the City.

In the Central Area there are 1,577 families waiting for 1,617 licensed spaces in centres which receive the City of Toronto Daycare Grant. The wait lists comprise 98% of the total number of available spaces within the Area. This represents the highest rate of demand, with approximately as many families waiting to use the service as there are numbers of spaces.

The utilization rates reported by the Daycare Grant applicants in February, 1990 were 90%, with a total of 5,586 children enrolled in 112 centres. The daycare centre operators indicated that vacancies were due in large part to the shortage of subsidized spaces.

Central Area daycare survey

The daycare centres within the Central Area receiving the City of Toronto Daycare Grant were surveyed in January of 1990. Twenty-nine centres were asked to participate and 25 surveys were returned. This represents a response rate of 86%. The centre supervisors were asked to answer a number of questions related to the families being served, as well as those on the wait list. The results are contained within Appendix G.

The centres report that Central Area residents use 39% of the spaces in the Area, with the remaining 61% coming from the City of Toronto and Metropolitan Toronto.

It is clear from the responses received, that a significant proportion of Central Area daycare users are using these centres because they are close to work. When asked, centres reported that 42% of the available licensed spaces are being used by parents because they are close, or on the way, to their place of work.

Nineteen per cent of the Central Area daycare users were identified as coming for reasons pertaining to availability of space and program quality.

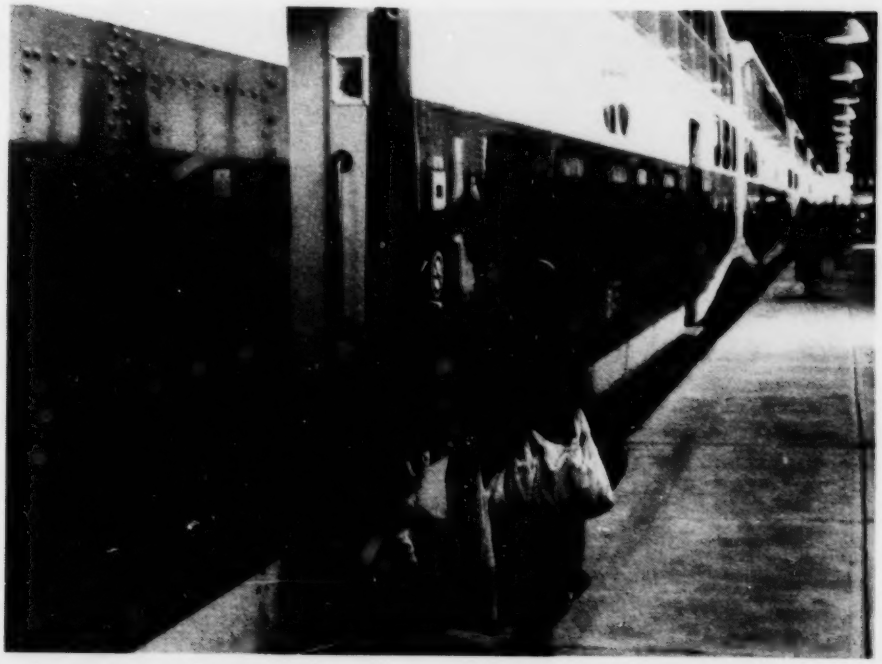
Fifty-six percent of the daycare centres surveyed give priority admission to special groups of users. Forty percent give preference to parents employed by a specific workplace and 20% attempt to serve a particular school population or high need client group.

Despite the priorities set in place by the daycare providers, there is a strong community component in the Central Area centres. The mix of workplace and community clients has ensured that daycare programs in the Area are full, viable and in demand.

Service Needs

The overwhelming need within the Central Area daycare community is for additional subsidized spaces. Seventy-two percent of the survey respondents indicated this as a priority. Apart from specific need requirements of the resident and workplace population, the available supply of service is inadequate.

Forty-four percent of centres reported receiving requests for infant and toddler care, which they could not meet. As has already been pointed out, the need for infant and toddler care is acute across the City, and the Central Area is no exception.



Centres also reported receiving requests for care for children with special needs. Thirty-two percent indicated a need to provide services for this client group. The need for specific multicultural services was also apparent, with 28% reporting service gaps in the area of multicultural programming and translation services.

The need for care beyond the normal 7:30 a.m. till 6:00 p.m. hours of operation was also perceived to be a need. Twenty-four percent of the survey respondents indicated the need for extended hour service.

Constraints on Service

When asked to identify the barriers to providing these services, space constraints were reported most frequently. Sixty-four percent indicated that the current facility was not large enough to accommodate additional services. Twenty-four percent reported occupying space that was not accessible to people in wheel chairs.

Also problematic was the lack of trained staff. Thirty-six percent reported difficulty in recruiting for new staff positions and 32% could not fill existing staff vacancies. Twenty-four percent felt that the level of training of the existing staff complement was not adequate to implement new programs.

Funding was also viewed as a barrier by 32% of the centres, which indicated that there were not sufficient public dollars for the implementation of new programs.

Only 16% of the centres have plans to expand either their existing services or the range of services offered.

The survey results are evidence of an over-burdened system with insufficient funds to expand or offer much needed innovative services and programs.

Implications and Issues

It is clear from the information on waiting lists that the need for child care services far exceeds the availability. The shortage of licensed spaces is particularly acute in the Central Area, where there are as many people waiting to use the service as there are spaces available. The increased need in this area is partly due to a shortage of licensed infant and toddler spaces in the other areas of the City. However, the appeal of having young children close to the place of work is a major contributing factor to the lengthy wait lists that Central Area daycare centres are reporting.

The City's workplace daycare program will provide an additional 552 licensed spaces within the Central Area once all of the facilities have been constructed and the programs have started. However, these programs are expected to serve primarily the employees in newly constructed office towers. The increased demand that these new towers are expected to generate will negate any positive impact on the existing wait lists. Therefore, the demand for child care in the Central Area is not expected to diminish due to the creation of these new spaces.

Private home daycare survey

There are two private home daycare agencies providing licensed care within the Central Area. Surveys were sent to both agencies asking for information regarding levels of service and barriers to expansion and innovation to the program. Only one of the agencies responded. However, this agency provides a significant proportion of this type of care in the Central Area.

The agency which responded supervises a total of 45 licensed homes, where care is provided for a total of 120 children.

The breakdown of numbers of children in each age group is as follows:

Infants	25
Toddlers	21
Preschoolers	40
School Age	30
"Ten Plus"	4
Total	**120**

There are currently 36 families on the wait list. Thirty out of the thirty-six of the families are waiting for care for an infant or a toddler.

The agency's program serves primarily low income families, with 98% of those in care receiving a subsidy. Eighty-five percent of the wait listed families will require a subsidy from Metro Children's Services.

Parents using the program report doing so because of the proximity of the caregivers' homes to the families' place of residence.

The only in-take priorities the agency has established are referrals from the Children's Aid Society and the Hospital for Sick Children, as well as refugee families in extreme need.

Service Needs

The agency reports that the most problematic aspect of service delivery is its inability to attract home care providers.

In addition, there is a need to attract caregivers willing to provide for extended hour care to accommodate the child care needs of shift workers and those willing to care for infants and for toddlers. Multicultural programming resources and linguistic services were also identified as a need of private home daycare agencies.

Constraints on Service

The barrier to the unmet needs identified by the agency is largely a lack of funds to adequately recompense the caregivers for providing extended hour care, and providing care for infants.

The rates which caregivers receive are traditionally very low. The agency receives rates from Metro Children's Services, as well as fee paying parents, according to the length of time the child(ren) are in care. The daily rate is received by the private home daycare agency, which in turn pays the caregiver a flat rate amount per child. The agency retains a small administrative fee to cover the salaries of the home visitors and other support staff.

The breakdown of the rates paid to caregivers in 1990 is as follows:

Full Day (8 to 12 hours)	$19.14 per day per child
1/2 Day (4 to 8 hours)	$12.76 per day per child
1/4 Day (0 to 4 hours)	$6.38 per day per child

For children or families deemed to have special needs, the rates are as follows:

Full Day (8 to 12 hours)	$25.74 per day per child
1/2 Day (4 to 8 hours)	$17.16 per day per child
1/4 Day (0 to 4 hours)	$8.58 per day per child

The caregivers receive these rates regardless of the age of the child or the degree of physical care that might be required.

Clearly, the low rates paid to the providers is a strong disincentive to enter the field, or provide additional types of services.

The Day Nurseries Act outlines the number of young children that may be cared for in a single home. The regulations state that no more than one child under the age of one including the caregiver's own child, may be cared for in a private home daycare setting. No more than two children under the age of two, and no more than three children under the age of three may be cared for in a particular home. The private home daycare agency may place further restrictions on these numbers, depending on the suitability of the caregiver and the physical setting.

The limitation on the number of small children who may be cared for by an individual provider, and the subsequent loss of income, serves as a strong disincentive for the provision of care for infants and toddlers.

Also problematic is the rate paid for 1/4 daycare, which primarily effects children of school age. The low rate of pay acts to discourage the admittance of older children into private home daycare arrangements.

Also, the caregivers' family commitments were identified as barriers to providing additional services. Many providers are unwilling to care for children in the evening when spouses and older children are likely to be at home. The agency also reported great difficulty in finding suitable caregivers for specialized types of care.

Summary

The need for additional services within the Central Area is apparent. There are 1,557 families on the waiting lists of the Central Area Daycare Grant recipients, and there are a total of 2,664 licensed spaces.

The existing service providers within the defined catchment area have identified the major barriers to expansion as being insufficient numbers of subsidized spaces for low and middle-income families, and the inability to obtain appropriate and affordable space within the Downtown core.

The City has responded to the need for additional services in a number of ways. A description of the ways in which the City has supported and encouraged the creation of new programs is contained within the following section.

4

Rationale – City of Toronto's role in child care

The location of the Financial District within the Central Area establishes it as a place of work for many City residents. Child care is an essential support to working parents of young children. Requests for information from both employees and employers about the availability of existing daycare programs close to the work site, as well as the possibility of setting up workplace programs, are becoming more and more frequent.

A comparison of the number of licensed group daycare spaces located in the Central Area in relation to other parts of the City, and the rate of demand measured by the length of the centres' waiting lists, shows a strong need for programs close to the workplace. (See Appendix I)

The funding of child care, and the emphasis on the parents' ability to pay for the full cost of the service is unique. In very few instances is accessibility to a community service made contingent on the user's ability to pay the full cost of the service. The labour intensive nature of daycare makes it very expensive. Consequently, daycare is inaccessible to many middle-income earners who do not qualify for government assistance. The reliance of daycare services on full fee paying parents has also created a downward pressure on staff salaries, which comprise approximately 80% of a non-profit daycare centre budget.

In recognition of the problems associated with the provision of the service, the City of Toronto has adopted a proactive policy with respect to child care in the areas of funding, provision of City-owned space, and the creation of new space as a public benefit through the land use planning process.

City as technical resource

The City employs a child care specialist who works in the Community Services Policy Section of the Planning and Development Department. Staff are frequently asked to consult on the feasibility of setting up programs in the community and the workplace, the method of obtaining the necessary funds, and the formulation of architectural plans to accommodate daycare centres.

The linkages with land use planners within the department enable staff to promote child care as an important consideration in the planning of neighbourhoods and work sites in commercial centres of employment.

Facilitator of workplace daycare

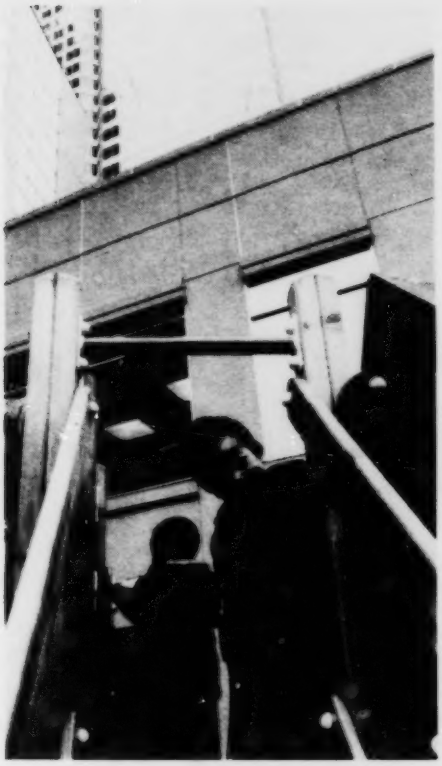
In 1980 the City established an on-site child care program for its employees in order to set an example for other employers. Council approved the expenditures necessary to renovate and equip the child care centre and also provided staff time necessary to assist the working group to establish the separate non-profit corporation that operates the centre. Hester How Child Care Centre serves 49 children ages 0-5 years and is completely full with a lengthy waiting list. The majority of users are City of Toronto and Metro Toronto employees. The program continues to receive yearly grants that help off-set the costs for the full-fee paying parents employed by the City. Recently, City Council approved funds to renovate additional space in City Hall to enable expansion.

In 1982, the City created the Task Force on Work Related Daycare, which had the mandate to promote, develop and implement daycare programs in or near the workplace. Since then, information has been provided to hundreds of employers and employee groups.

In addition to Hester How Daycare, the City has been instrumental in encouraging the development of other workplace daycare programs, such as the programs established or proposed for the employees of Ontario Hydro and the Queen Elizabeth Hospital, through the provision of technical assistance.

While the need for daycare services within the Central Area is unquestionable, the identification of appropriate indoor and outdoor space has proven to be problematic. Interior space was frequently not available or was prohibitively expensive. The required amount of outdoor space was even more difficult to secure in a heavily developed area.

The land use approval process was viewed as a unique opportunity to raise the issue of including space for daycare within new developments. The City's role with



respect to planning approvals and the issuance of permits provided the impetus for the requirement of space in private sector developments. Section 36 of the Planning Act has been used in an number of instances to secure space and start-up funds for new daycare facilities. (See 8 – Daycare Services and the Land Use Development Process, p.35).

In 1984, the City negotiated rent-free space for a licensed child program with the developer of Waterpark Place, the Campeau Corporation, in exchange for additional development rights in the commercial-residential complex at Bay Street and Queen's Quay. The developer was also obligated to pay the cost of fully finishing the space, to ensure that the centre was fully equipped, and to provide start-up funds. This served as the model for subsequent agreements with developers for Scotia Plaza, BCE Place, the World Trade Centre, and the CBC Broadcast Centre.

A map of the City-facilitated daycare programs is contained within Appendix J. These facilities have been provided by utilizing Section 36 of the Planning Act which permits density bonuses in exchange for public benefits.

This approach has resulted in the creation of high quality programs in purpose-built space. The programs which are currently in operation are often used as examples of innovative and successful designs. City staff assist in the formulation of the designs and facilitate the necessary approvals from the Ministry of Community and Social Services, as well as the City's Public Health and Fire Departments.

The Agreements obtained through Section 36 of the Planning Act will result in the creation of a total of 552 licensed spaces within the Central Area by 1995. The site-specific nature of the Agreements has meant that the majority of the centres are located within the Financial District. Therefore, the Financial District of the Central Area will be relatively well-served in comparison to other parts the Central Area, which remains under-served.

While the Section 36 agreements have proven to be successful in the creation of workplace daycare, it has not addressed the provision of services in residential areas. When the City first embarked on the use of Section 36 of the Planning Act as a mechanism for securing daycare services, a City policy was established which requires the daycare facilities negotiated through Section 36 to be on site, or near-site. The justification for this policy is based on the rationale that the need for daycare services is based on the need generated by new commercial development.

A strict application of this rationale prevents the City from requiring private developers to establish daycare programs in residential communities not physically related to the office development.

The use of Section 36 of the Planning Act has been effective only in large scale developments, and is subject to a site-by-site negotiation process. It has not been successful in providing a comprehensive strategy for the provision of daycare facilities.

Due to public concern expressed over the size of some of the projects approved and the resultant impact of the increased density, City Council declared a moratorium on any further density bonusing for future commercial development at its meeting in May, 1989.

The City as landlord

City-owned buildings

The City has also encouraged the use of City space for child care services on certain occasions. There are currently five daycare centres in City-owned space: the Hester How Daycare at City Hall, Fashion District Daycare at 511 Richmond Street, Upper Yonge Village at 14 St. Clements Avenue, University Settlement Daycare at 23 Grange Road, and Kid's Korner Daycare at 180 Westmoreland Avenue.

With the exception of Fashion District Daycare, the non-profit daycare operator approached the City for rent-free space. In general, the programs pay no occupancy costs of any kind.

In the instance of Fashion District Day Care Centre, the City played a crucial role in bringing together private sector employers, unions and government, through the Fashion Industry Liaison Committee. The City was able to facilitate the establishment of the centre by providing rent-free space and renovating the space to meet Provincial standards for daycare centres. This consortium workplace centre was developed with a great deal of assistance from the staff in the Planning and Development Department. The Toronto Dress and Sportswear Guild, an association of the employers in the Fashion Industry, the International Ladies' Garment Workers Union, George Brown College and City staff formed a working group that established the program. The Fashion District employers contributed money to purchase equipment as well as operating funds for the first year of operation. A start-up grant was also obtained from the Ministry of Community and Social Services.

Fashion District Day Care is highly regarded in the early childhood education field as being a model for multicultural programming. The centre provides care for the employees of the Fashion Industry, many of whom are recent immigrants whose first language is not English. Great effort has gone into ensuring that every aspect of the delivery of service, including food and the daily programming, is sensitive to the particular needs of new Canadians. The centre was awarded the Association for Early Childhood Educators' Margaret Fletcher Award of Excellence in 1987.

Daycare in City-initiated residential developments

The City has also taken a leadership role in the provision of community-based child care by encouraging the provision of space in new non-profit housing developments. In the St. Lawrence Neighbourhood, the St. Lawrence Co-operative Daycare Centre operates a preschool program with a licensed capacity for 60 children which is located in the Cityhome building at 2 Princess Street. Housing units were converted for daycare use, using City funds, after residents of the area expressed concern over the lack of licensed care within the neighbourhood.

Staff from the Planning and Development Department and the Housing Department are currently working jointly on the establishment of an infant and toddler program on the C2 site of the St. Lawrence Neighbourhood on the south side of the Esplanade between Market and Church Streets. There are currently no licensed group programs serving the infant and toddler age groups in the existing community. The completion of the development projects planned for this site will create an even stronger demand for the service. Plans for 7,000 housing units east of downtown in the Ataratiri housing development are of further concern with respect to the availability of licensed child care in this area.

Cityhome, which has played an active role in the development of the St. Lawrence community, has ensured that space will be provided on the site designated in a housing project to be run by the New Hebrit Housing Co-operative. Staff from both departments are looking at ways in which the necessary capital funds to finish the space may be provided.

The current guidelines surrounding funding for non-profit housing do not easily facilitate the inclusion of community services within the project. The necessary funds are being sought from the Ministry of Community and Social Services, but Provincial priorities for capital funding have not given projects within the City of Toronto a high priority.

The difficulties experienced in developing the proposed infant and toddler program are illustrative of the barriers which exist in the placement of services within social housing developments. Staff have initiated discussions between both the Ministry of Community and Social Services and the Ministry of Housing in an attempt to establish an appropriate cost-sharing arrangement between the two Provincial ministries and the City of Toronto. The City's role in this instance has been critical to the program's success.

There is a need for the City to actively encourage the development of daycare programs in non-profit housing developments. The current complexity surrounding the funding is a strong deterrent to community-based groups wishing to provide care within newly created neighbourhoods.

The City of Toronto Daycare Grant

In December of 1983, City Council established the Daycare Grant Program in response to a child care crisis that saw many centres experiencing one or more of the following problems:

- high fees and decreasing enrolment of non-subsidized spaces;
- inadequate number of subsidized spaces;
- low salaries and minimal benefits for staff;
- high staff turnover and difficulty in recruiting qualified staff; and
- difficulty in meeting financial obligations.

City Council established the grant after determining that the most effective way to strengthen the non-profit daycare sector is to supplement the wages of daycare staff through a grant program. The purpose of the grant is to help raise salaries while maintaining parent fee increases to a minimum.

Specifically, the goal of the daycare grant is to raise the average non-supervisory salary in the City of Toronto child care centres to a level equal to the entry-level salary of daycare teachers in Metro's directly-operated centres.

The City of Toronto Daycare Grant was also intended to serve as a model for providing direct operational funding for child care services across the Province. In 1988, the Province did introduce the Direct Operating Grant, an annual grant for all licensed programs. However, the City and the Provincial grant programs differ significantly in their criteria and methods. The Toronto Daycare Grant sets an acceptable level of wage for staff and requires the grant recipients to distribute grant funds equitably to ensure that the wage target is in fact met. No such provisions exist within the Provincial criteria and so staff wages may vary dramatically from centre to centre.

At its meeting of November 29, 1989, City Council approved the terms of reference for a consultant's study to review the current mandate of the Grant program and look at possible innovations.

The consultants' report is now complete, and recommends a year by year review of the Grant with respect to the continuation of the salary enhancement aspect of the program, until the Provincial government introduces a pay equity fund for daycare workers.

City Council is expected to adopt this recommendation during its deliberation of the City's budget in the spring of this year.

City as advocate

The City has played an active role in advocating to senior levels of government for increased levels of funding for child care.

In an effort to ameliorate the acute funding crisis in the daycare field, the City of Toronto Daycare Grant was established. However, the Grant was also intended to serve as an example to more senior levels of government. This goal was achieved in 1988, when the Province of Ontario introduced its own grant program.

Strategically, the City has recognized the need for a stronger federal role in the funding and regulation of daycare. To that end, members of Council have made several deputations and public statements calling for the establishment of a federal child care plan.

In addition, in September of 1988, Mayor Art Eggleton and Councillor Paul Christie jointly issued a policy statement, adopted by City Council, calling for the provision

of universally accessible daycare services, in the same manner that educational services are delivered. The impetus for this statement was the crisis in funding for subsidized spaces. This policy position is an important starting point for future discussions regarding the imbalance in funding between the three levels of government for daycare.

The City of Toronto has played an unprecedented role in terms of municipal support of the daycare movement. In light of recent funding restrictions imposed at the Provincial and Federal levels, there will be an increased need to fulfil this role in the future.

5

Existing legislation and policy

Policy and legislation for daycare exists at every level of government. This section provides a description of the regulations surrounding the operation of daycare, as well as the mechanisms for the provision of public funds.

Canada Assistance Plan

Funding for subsidized child care services for all eligible families can be accessed through the Canada Assistance Plan. This funding mechanism sets out cost-sharing arrangements between the three levels of government for a variety of welfare services. For every dollar that is spent on child care for families that require assistance, the federal government contributes 50%, the province contributes 30% and the municipal share is 20%. The provincial government's 30% contribution is a major factor in determining the level of participation of the other two levels of government.

The Canada Assistance Plan is simply a cost-sharing arrangement for families that have been deemed to be eligible and in need of assistance. It does not assign responsibility for the development of sufficient services according to region or age of children. Development has occurred largely through the efforts of voluntary groups.

The Canada Assistance Plan has always been an open-ended funding arrangement. Expenditures permitted by the Plan that the Provinces incurred were matched, with no yearly cost-of-living increase restrictions. The recent Federal announcement regarding the curtailment of annual increases in expenditures to 5% in Ontario, Alberta and British Columbia will have a profound effect on care for lower income families in the years to come.

The Day Nurseries Act

The regulation of child care services is the responsibility of the Provincial government. The Day Nurseries Act is the legislation that outlines the requirements that all child care programs must satisfy. Enforcement of the regulations is carried out through the Ministry of Community and Social Services. The Act legislates child-staff ratios, levels of staff training, the amount of floor space required per child as well as a wide variety of other issues related to the operation of a child care program. Licenses to operate are renewed on a yearly basis after a program advisor from the Ministry has conducted an unannounced visit. The Day Nurseries Act is one of the most comprehensive pieces of legislation governing child care in the nation. While it is not a formula for quality care, it has been used as a tool in ensuring that the basic elements are present.

Support to Employment Program (S.T.E.P.)

On May 18, 1989 the Provincial government announced a series of reforms to the social assistance system in Ontario. The reforms included a number of incentives to current social assistance recipients, as well as the working poor, to enter the work force. Included in the program is a daycare initiative which is funded by the Provincial and Federal governments on a 50-50 basis.

The new program allows recipients to deduct child care expenses from net earnings, before those earnings are used in calculating the amount of monthly assistance. This change in the calculation of benefits means that parents of young children who return to work can retain more of their earnings, while remaining on the STEP program.

Theoretically, the STEP initiative will also provide more funding for families requiring a government subsidy. Metro Children's Services estimates that approximately 1,700 of the people currently using the regular subsidy system funded through the Canada A istance Plan are eligible for child care benefits through the STEP program. However, each individual client must apply for welfare services and request a transfer to the STEP program.

Metro has requested block funding to transfer eligible families to the new program, but the Province has refused this request. The additional funding for the 1,700 families eligible for the STEP program would have enabled 1,700 other families on the Metro-wide waiting list to enter the daycare system. The granting of this request would have effectively reduced the number of families waiting for subsidized care by approximately one third.

To date, the implementation of Phase I of the STEP program has had very little effect on the child care community within the City of Toronto.

Provincial Municipal Social Services Review (P.M.S.S.R.)

In February of 1990, the Provincial government released a discussion paper entitled *Report of the Provincial-Municipal Social Services Review*. The document was prepared by the Ministry of Community and Social Services, in conjunction with the Association of Municipalities of Ontario and the Ontario Municipal Social Services Association. The report recommends a new relationship between the two levels of government with respect to the planning, delivery and licensing of a broad range of social services, including daycare.

P.M.S.S.R. recommends that the Provincial government continue to legislate standards, and that the municipalities assume the responsibility for enforcement. It is further recommended that cost-shared programs receive 75% of their funding from the Provincial and Federal governments, and the municipalities be required to contribute 25%. This represents a 5% rise in the municipal contribution, which is intended to be off-set by the waiving of a municipal role in the funding of welfare services.

The report also recommends flexibility in the determination of levels of funding for various aspects of the delivery of the service. There is currently a great deal of frustration at the municipal level over the Province's ability to determine the number of subsidized spaces within each community, and the level of funding available to each community.

In a more flexible, municipally-administered funded arrangement, the Province will still set levels of funding, however, there would be more municipal discretion in the

allocation of these dollars. For instance, if a municipality chose to fund fewer subsidized spaces at a higher level in an effort to stabilize the daycare community, it would be within the municipality's mandate to do so. Alternatively, funding per space could be lowered in an effort to create more spaces to deal with the accessibility issue.

P.M.S.S.R. also recommends the creation of municipally-based planning groups that would advise on planning and service management issues, pertaining to the full spectrum of social services affected by the Review.

P.M.S.S.R. has received mixed reactions from service delivery agents and municipalities alike. Public consultations are expected to occur over the next few months, and it is uncertain whether the recommendations contained will be implemented.

Metro Council's child care policy

In October of 1985, Metro Council appointed the Metropolitan Day Care Planning Task Force to look at establishing guiding principles for the development of child care services in Metropolitan Toronto. In November of 1986, their report entitled *Blueprint for Child Care Services: Realistic Responses to the Need* was adopted as policy. After extensive consultation with the daycare community and other levels of government, the task force made the following recommendations:

- subsidies continue to be available for licensed and regulated child care only.
- an annual expansion of 3,000 subsidized spaces occur over a ten year period.
- when creating new spaces, priority be given to age groups that have been traditionally under-serviced.

While expansion and age equity targets have not been met, the document identifies concrete goals for meeting community need.

In light of recent Provincial restrictions on cost-shared dollars, Metro Council has recently undertaken another review of child care services. The principles contained within the "Blueprint" formed the basis for this review.

Metro Council adopted the document at its meeting held on September 12, 1990.

The recommendations include:

- that the present number of subsidies available within Metropolitan Toronto double;
- that a ward-based planning process be implemented for the establishment of subsidy ceilings and development of new spaces, taking into account parental preference, the need for facilities within the workplace, and private home daycare;

- that the primary focus for service delivery be the provision of care for children aged 0 to 5 years, after consultation with the education system regarding the development of service strategies which would allow the educational sector to assume primary responsibility for the care of school aged children;

The implementation of many of the recommendations is dependent on cost-sharing and policy changes at other levels of government. Discussions with the Boards of Education and the provincial government regarding the issues raised in the document are on-going.

6

Start up funding

From the mid-1970s until 1988, there was extremely limited major capital funding available for the costs of constructing new daycare programs. Consequently, there were few new facilities built during this period. In March of 1988, the Ministry of Community and Social Services announced the adoption of its policy paper entitled *New Directions for Child Care*. One of the recommendations contained within the report provided for three-year cycles of funding for capital construction costs associated with the creation of new facilities.

This section describes the type of funding available to non-profit operators for the establishment of new programs, or the expansion of existing ones.

Ministry of Community and Social Services

Major capital grants

The Provincial government makes grants available to non-profit groups for the purpose of renovating or constructing child care facilities. Requests in excess of $55,000 are considered for this type of funding. Proposals of funding must be submitted outlining the costs involved and how the program will remain viable once it commences operations. If successful, the group applying for the funds receives up to 80% of the total cost of the project. The remainder must be raised from fund-raising or other sources. In past years major capital funds have not been sufficient to meet the demand, and very few groups in the Metropolitan Toronto area have been successful in obtaining them.

Minor capital grants

The local area offices of the Ministry of Community and Social Services are allocated funds which may be used for requests that are under $55,000. In most cases, these funds have been used for doing minor renovations, purchasing equipment for new programs or the expansion of existing ones. As with the major capital grants, the Province funds only 80% of the estimated costs and requests for these funds far exceed their availability in Toronto.

Ministry of Education

In "*New Directions for Child Care*", the Ministry of Community and Social Services called for enhanced partnerships with other provincial ministries. In particular, education was identified as an area with many common issues. The Toronto Board of Education has pioneered an "enhanced partnership" with parent-community groups since the late 1970s. The Board's Comprehensive Care Policy has placed first priority on access to vacant space for child care. Currently, more than 90 licensed child care programs, operated by non-profit organizations, are housed in Toronto public schools. When school enrolment is down, these arrangements work well. However, the provision of service is highly dependent on the existence of surplus classroom space.

"*New Directions*" calls for the mandatory provision of space for child care services in all newly constructed schools. All new elementary schools will contain 2,350 square feet of space for child care, and newly constructed secondary schools will include 4,500 square feet. This represents centres with licensed capacities of 24 children and 45 children respectively. However, very few new facilities are planned for the City of Toronto area. In areas such as Ataratiri and the Railway Lands, the centres which will be included in the new schools are not expected to be sufficiently large to meet the need.

The issue of space is further complicated by the recent policies enacted by the Ministry of Education which call for the reduction of class size and the introduction of full day kindergarten programs. Both of these initiatives will mean that school boards will require more space for school programs and will have less for community programs such as child care.

In conclusion, the recently introduced child care initiative is likely to have a minimal impact on the expansion of child care services within the City of Toronto.

7

Operational funding

Child care operates on a "fee-for-service" basis with two main sources of revenue. For families who do not meet the Provincially- approved guidelines for subsidized child care, the full cost of the service must be paid by the parents. Full fee paying parents comprise a significant portion of the families that use daycare. However, as fees continue to rise, middle-income parents are finding the service increasingly unaffordable. The average Metro-wide daily fees are as follows:

Infant	Toddler	Preschool	School age
$31.43	$28.12	$22.36	$14.92

The high cost of infant and toddler care has served to inhibit the expansion of service to this age group for programs that depend on fee paying parents. In an effort to make it somewhat more affordable, centres usually offer care for infants and toddlers in conjunction with programs for older children. The cost of caring for the younger children who require a higher child-staff ratio is often partially off-set by the fees paid by the users of the other programs. Therefore, the actual cost associated with the provision of care for the younger children is actually higher than indicated.

Child care centres also receive money for subsidized children from Metro Children's Services. In some instances the families are fully subsidized, but often parents are required to pay a portion of the actual cost of care, based on an assessment of their ability to pay.

Funding for subsidized care is cost-shared through the Canada Assistance Plan but is ultimately administered and dispersed by local government.

The municipality determines eligibility for subsidies by administering a means test. The guidelines used to determine eligibility are set out in the legislation but are Provincially approved. Various categories of allowable expenses are identified and parents must provide detailed information about their salaries and expenditures.

The Province sets maximum limits on the amount of allowable debt, but the municipalities can choose to use the maximums or a lower limit. Metro Council has always used the maximum ceilings specified in the CAP guidelines, resulting in larger numbers of families being eligible for subsidy. Therefore, the lengthy waiting lists within Metro, as compared with other communities, are partially attributable to a greater number of eligible families.

Provincial Direct Operating Grant

In 1988, the Province introduced direct operating funds to licensed child care programs in an effort to increase staff wages while keeping parent fee increases minimal. The grant is made available to both non-profit and existing commercial programs with the stipulation that it must be used to raise staff salaries and/or lower parent fees. The Province has proposed a 50-50 cost-sharing arrangement for the grant program with the federal government through the Canada Assistance Plan. However, under the current CAP guidelines direct funding to the commercial sector is not allowable. Therefore, commercial centres receive only the Provincial 50% share. Commercial centres established after December 7th of 1987 are not eligible to receive any portion of the direct operating grant. Expansion spaces created in commercial centres after November 30th will also be ineligible for funding.

The amount of grant monies a centre is eligible to receive is determined through the use of a formula that takes into consideration the operating capacity, ages served, months open and the hours of operation. The grant is based on enrolment rather than the achievement of a target wage or an acceptable parent fee to be achieved.

In the City of Toronto, the grant has not achieved its stated goal of stabilizing child care by reducing staff turn-over. The average Direct Operating Grant payment to staff in the 113 non-profit programs that received the City of Toronto Daycare Grant in 1990 was $4,000 per staff with an average base wage of $20,492 (totalling $24,492). Centres are reporting that these salaries are not sufficient to retain or attract trained staff.

8

Daycare services and the land use development process

The City of Toronto was one of the first municipalities to recognize the important connection between the land use process and the development of new daycare facilities. Through the years, the City has adopted a number of policies and practices which have served to forge this link.

The City indirectly encourages the establishment of daycare through zoning designations which have enabled centres to locate in most areas of the City.

The City has also played an active role in the creation of workplace daycare programs through the negotiation of public benefits, such as daycare, in exchange for additional heights and/or density in downtown commercial developments.

This section deals with the various mechanisms and incentives the City has employed in implementing a policy of encouraging and supporting the creation of licensed daycare.

Zoning

The City's Zoning By-laws have traditionally allowed daycare service providers a great deal of flexibility in the selection of an appropriate site. Daycare centres are permitted to locate in all residential areas, provided they conform to the landscaped open space requirement applicable to all properties in residential districts. Outdoor play spaces may not be located in the front yard in any instance where a daycare facility has an R designation.

In mixed-use designations, daycare is a permitted use within the Central Area. This has facilitated the location of daycare facilities within office and commercial developments. Outside of the Central Area, daycare is permitted within mixed-use districts provided the daycare facility is housed within a community centre or is operated by a non-profit institution.

Daycare is a permitted use within all of the industrial districts, except in areas designated for heavy industrial uses where the presence of a daycare centre would be inappropriate.

The absence of barriers posed by zoning restrictions is an important first step in the facilitation of new programs. At the same time other barriers still exist. The lack of adequate funding for capital and start up costs provides a disincentive which many groups interested in establishing new programs have found difficult to overcome.

Daycare centres operate with limited operational funding. Fees collected from parents are still a significant portion of a daycare centre's budget. Therefore, very few daycare centres are in a position to pay rent or other occupancy costs. When daycare programs do locate in residential districts, they are generally housed within schools or churches, where space may be obtained at a nominal cost. Therefore, the development of new programs is dependent upon the availability of appropriate, rent free space.

As-of-right density exemptions

The Central Area Plan and the Zoning By-law provide for a density exemption when a community service facility, such as daycare, is included within the development. The additional floor space permitted must be dedicated solely for the use of the daycare centre.

Because the by-law restricts the use of the space to daycare (or other community service uses) which cannot afford to pay market rates, the provision of space for daycare using this exemption does not allow the developer to increase the amount of income-generating floor area. Very little incentive exists to exercise this as-of-right density exemption.

In instances where density bonuses have been permitted through Section 36 of the Planning Act, the developer is frequently granted a density exemption as well. This is done in recognition of the expenses incurred by the developer, and is meant to act as partial compensation for these costs.

To date, this provision has not been used as the sole means of providing a daycare facility within a new development.

Rezoning

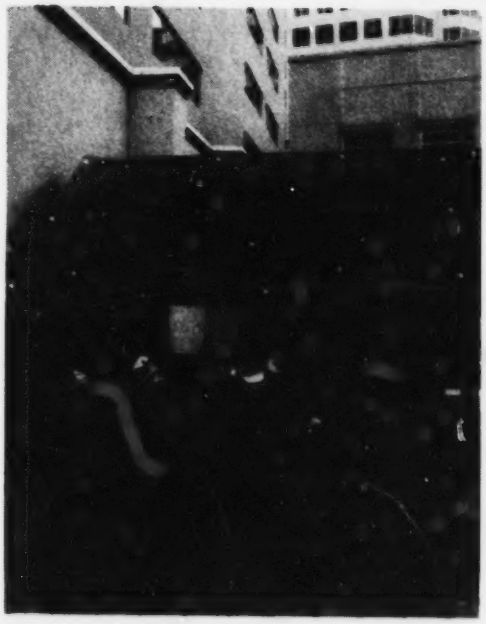
Developments requiring a rezoning and an Official Plan Amendment could technically be required to provide public benefits in exchange for the additional density obtained by the developer as a result of the approval.

To date, one daycare facility has been negotiated in this manner. The Canada Life Assurance Company requested a rezoning and an Official Plan Amendment for the Canada Life Building at University Avenue and Queen Street West. Plans for the redevelopment did not proceed, despite Council's approval of the up-zoning. Therefore, the plans for the daycare centre did not proceed. However, plans for the re-development of the site, and the establishment of the daycare facility, have recently resumed.

This was the City's first effort to secure a daycare facility through the land use process. The resolution of the issues raised during the negotiation process formed the basis for subsequent density bonus agreements using Section 36 of the Planning Act as the vehicle.

Section 36 agreements

Section 36 of Ontario's Planning Act enables municipalities to enact a by-law to "... authorize increases in the height and density of development otherwise permitted by the by-law that will be permitted in return for the provision of such facilities, services or matters as are set out in the by-law." The City of Toronto was the first municipality to utilize Section 36 as a means of securing daycare facilities as a public benefit.



Daycare is one of a number of benefits that have been obtained through density bonusing. The daycare agreements negotiated to date have resulted in explicit and comprehensive arrangements for the creation of new programs. Developers are required to completely construct, finish, furnish and equip a daycare centre, in compliance with all of the relevant legislation. The centre is then leased to a non-profit operator.

Five such agreements have been negotiated. The centres at Waterpark Place and Scotia Plaza are operational, while the ones at BCE Place, the CBC Broadcast Centre

and the World Trade Centre are all expected to be constructed and operational by 1995.

In addition, two agreements have been executed which provide for the capital construction costs and rent-free space only. These agreements provide for additional density in the Convey residential Building in Harbourfront, and Phase II of the Eaton's Centre in exchange for daycare facilities with licensed capacities of at least fifty children. The facility in the Eaton's Centre is under construction, and is expected to be complete by the fall of 1991. The progress of the Harbourfront Centre has been delayed by the restrictions on development in the area imposed by the Provincial government.

Through Section 36, the City has been able to facilitate the creation of well designed, purpose-built facilities in the downtown core. This method of producing space for daycare programs has been very successful in new developments which are likely to generate additional demand for services close to the workplace. However, the City's ability to secure space is contingent on a developer's request for additional density. Density bonusing has proven to be very successful in encouraging the growth of workplace daycare, however it does not provide for the creation of community-based care in other areas of the City.

Each agreement is negotiated separately, and generally involves the provision of a number of public benefits, with daycare comprising a small part of a larger package. The determination of the size of a daycare facility has largely been decided according to the financial and program needs of the daycare operator.

The City has advocated for the creation of non-profit centres with a minimum licensed capacity of 52 children in an effort to create as many infant and toddler spaces as possible, while keeping the size of the facility and outdoor play space manageable and feasible within a commercial development. Care for younger children is very expensive due to the labour intensive nature of the programs. Experience has shown that the point at which an infant, toddler and preschool program begins to become financially viable is when the licensed capacity reaches 52.

There has been no upper level established in terms of financial viability. The scarcity of suitable space has been a factor in limiting the size of the centre. At the same time, there are very few centres serving the younger age groups with licensed capacities larger than 52. Experience indicates that the proportion of infants and toddlers to preschoolers is a key factor in determining financial success.

Studies of daycare experiences for very young children have identified group size as an important indicator of quality care and the Day Nurseries Act has very strict guidelines regarding maximum group sizes. Even though a centre has a licensed

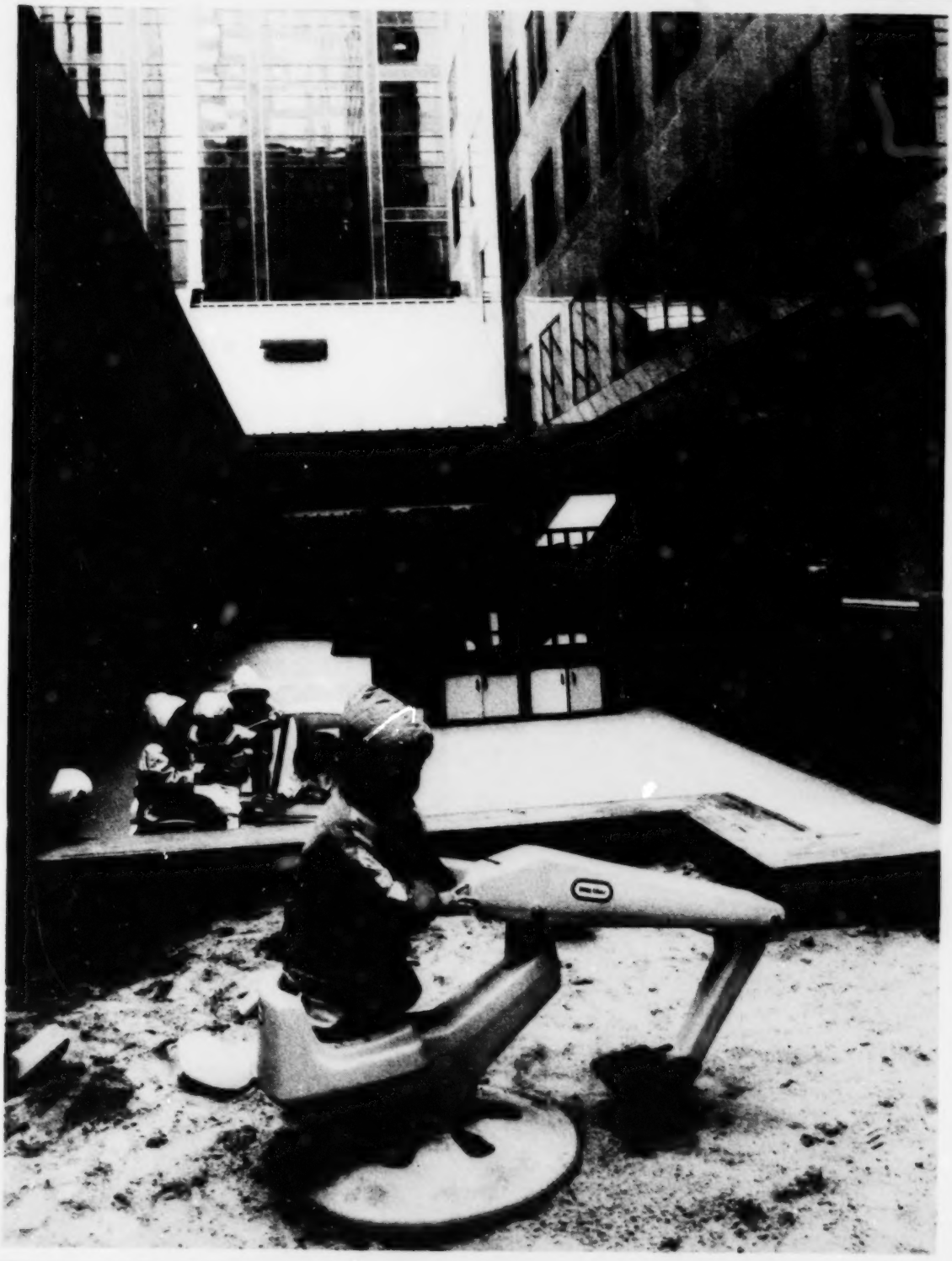
capacity of 52, the children are cared for in separate, age appropriate, groups. The maximum group sizes and required numbers of staff are as indicated in Table 3.

Group sizes may be reduced provided the staff ratios are maintained. In a centre licensed for 52 children there are typically 10 infants, 10 toddlers and 32 preschoolers.

The 52 child capacity has been adhered to more for the benefit of the daycare operation than as a reflection of actual need. Licensed child care is in such short supply in all areas of the City that there has been no danger of providing unnecessary services. However, further refinement of the method of assessing need based on new office and residential construction, and the flexibility to locate the programs where they are most needed, is critical to the continued success of the workplace daycare program.

Table #3
Maximum group sizes and required staff

Age Group	Group Size	Staff Ratio	Maximum Staff Complement
Infants (0-18 mos.)	10	1:3	3
Toddlers (18-30 mos.)	15	1:5	3
Preschoolers (2 1/2-5 yrs.)	16	1:8	2
School Age	30	1:15	2



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Options for private sector support of daycare

There are several methods of securing private sector funds for the creation of new daycare facilities, which include a modification of the existing density bonus policy and/or the enactment of a separate exaction for daycare. This section will describe these options.

Density bonuses

To date, the City has facilitated the participation of the private sector in the funding of daycare facilities largely through the provision of density bonuses. The practice of granting densities above the maximums outlined in the Zoning By-law has been successful in creating daycare facilities within the Downtown core. While the agreements have provided unique opportunities to locate daycare facilities in downtown office space, there has been very little flexibility in the location of programs in residential areas with high levels of need.

When City Council approved the use of Section 36 of the Planning Act for the negotiation of public benefits on a site-specific basis, there was a great deal of discussion regarding the rationale of allowing private developers to exceed the acceptable levels of density approved in the Official Plan. The argument for requiring the provision of daycare services has traditionally been that the approved increases in density could only be justified if the public benefit received negated the demand for services generated by the new development. This resulted in the provision of site specific daycare facilities created in exchange for additional densities within downtown developments.

If City Council approves the continued use of density bonuses, the location of the facility within the new development should be retained as a City policy because it is clearly defensible when arguing for the provision of the facility on the basis of need generated. In addition, it assures the provision of adequate space in the Central Area

which would otherwise be inaccessible to a non-profit daycare provider. However, a degree of flexibility should be introduced in instances where the location of a facility would be inappropriate, or physically not possible. A mechanism permitting a "cash-in-lieu" option should be explored in these cases.

A "cash-in-lieu" option would entail adoption of a method of determining the amount owed, as well as the establishment of a separately administered fund for the purpose of constructing new facilities. Funds collected in this circumstance would be applied to the creation of new facilities in appropriate commercial and residential developments within the Central Area.

The Development Charges Act (Bill 20)

The new Development Charges Act, provides municipalities with the mechanism for imposing levies for both hard and soft services likely to be required as a result of new development. The provision regarding soft services will enable a municipality to levy new developments for the capital costs associated with the creation of the community services required as a result of the new growth.

The range of services that can be levied for is limited to the services being provided by the municipality at the time of the development. Also, the standard for each service can be no higher than the one in force at the time of development.

It is uncertain whether the City of Toronto will have the authority to use the Development Charges Act for the provision of new daycare facilities. If this mechanism is to be utilized by the City for the provision of daycare, a more thorough investigation of the Development Charges Act will have to be undertaken and consultation with Metropolitan Toronto will be essential.

Other legislative mechanisms

The notion of a vital central core, where people both work and live, could be enhanced through the enactment of an exaction policy that both allows for the creation work related daycare programs, as well as the encouragement of community-based programs in the Central Area. A rational and demonstrable link between the development of commercial and residential projects, and the need for additional daycare services will have to be established.

An exaction policy would free the provision of daycare facilities from the site-specific requirements of the bonusing policy, and would enable City staff to plan and implement programs in neighbourhoods identified as being under-served within the Central Area.

The enactment of special legislation would enable the City to raise capital funds for the construction of new daycare centres, however it would not identify space for a daycare centre. Conceivably, there could be delays in the provision of service while waiting for an opportunity to identify appropriate space.

The imposition of a daycare levy is technically a viable option, however it is unlikely to be approved by the Ontario Municipal Board if it appears that the City can use the Development Charges Act for the same purpose.

Therefore, the appropriateness of the Development Charges Act with respect to daycare needs to be ascertained before the option of other special legislation can be pursued.

Conclusion

While the City has obtained several daycare facilities through the use of density bonus agreements with private developers, the site-specific nature of the program has limited the opportunities to plan for programs within residential developments. The establishment of a daycare exaction policy would allow City staff to approach the location of new facilities in a much more flexible manner.

Mechanisms for requiring private sector involvement in the creation of new daycare programs require City staff to develop measurements of need for daycare services, as well as comprehensive standards with respect to the design and operation of the facilities.

An examination of existing daycare exaction policies in other communities would be helpful in developing new criteria for the creation of additional daycare facilities within the Central Area, and in the possible development of an exaction policy for the City of Toronto.

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Municipal support in other communities

Exactions for daycare have not been implemented in Canada, however a number of U.S. models exist. A number of municipalities in the United States have enacted linkage ordinances, and have consequently developed various methods of determining the required numbers of spaces for projects of varying sizes. The funds exacted from private developers are used to off-set capital costs, or in some cases, provide subsidies for low-income families.

This section contains a description of methods of exaction and determination of need in a number of municipalities across the United States.

San Francisco

San Francisco was one of the first communities to pass an ordinance requiring developers to either include a child care facility in the new construction, or pay an in-lieu fee.

The ordinance pertains to new office and hotel developments with Gross Floor Area of 50,000 square feet or more. The developer must dedicate either 1% of the gross floor area toward a child care facility, or 2,000 square feet (whichever is largest). Once constructed, the facility must be turned over to a non-profit operator on a rent free basis.

Alternatively, a one-time in-lieu fee may be paid into the "Affordable Child Care Fund". One dollar per square foot must be deposited into a separately administered fund which may be used for construction of new non-profit daycare centres, or for subsidies to families in need. Participating centres must agree to reserve 10% of their licensed capacity for low income families.

Due to a freeze on development which has just recently been lifted, the program has not yet become fully operational. Therefore, it is not possible to assess the impact of the ordinance.

The decision to set the developers' contribution at $1.00 per square foot, or 1% was an arbitrary one. The amount of space to be dedicated to the daycare facility was not based on the existing need within the community nor on the need likely to be generated by a particular project. The ordinance calls for a regular re-assessment by the City Planning Commission of the appropriateness of the levels set for determining the exaction.

The San Francisco model has been used as a prototype for other communities, which have just recently passed similar ordinances. In some cities, such as Milwaukee and New York the $1 or 1% method of calculation was adopted, however the minimum amount of space required to be set aside for an on-site facility was altered. In Milwaukee the minimum is 500 square feet and in New York a minimum of 3,000 square feet is required.

There is also no requirement within the San Francisco ordinance for the provision of outdoor play space. The availability of suitable outdoor space has proven to be a formidable stumbling block in the establishment of on-site facilities within Toronto's Central Area. The Day Nurseries Act requires 60 square feet of outdoor play space per child, which is adjacent to the interior play space. The City has overcome this barrier by identifying the required amount of space at a podium level which the Province has approved as an exception, on a case by case basis.

If this type of exaction were to be applied in the City of Toronto, the formula would have to be reflective of the licensing standards, as well as the City's own standards, with respect to space. However, the simplicity of this model lends itself well to this type of modification.

Chicago

One such innovation regarding minimum space has been proposed by the City of Chicago. A draft ordinance has been prepared based on the San Francisco model. The ordinance has not been passed, due to a number of unresolved appeals.

The Chicago ordinance varies from the San Francisco ordinance both in terms of the amount of space that is required to be set aside as well as the amount that must be deposited into the child care fund.

The ordinance allows for the provision of either an on-site or near site facility of at least 2,500 square feet. A qualification has been established for larger developments where more space is required. Office developments of over 500,000 square feet must provide 3,700 square feet of space for child care. A project over 1 million square feet must provide 5,500 square feet for child care. The facility must be provided rent free to a non-profit organization, and must dedicate at least 10% of its spaces to low- income families. Provisions also exist for an in-lieu fee of $2 per square foot. At least 25% of the fund must be used to subsidize the spaces set aside for low-income families, with the remainder going toward the creation of new facilities.

Boston

Boston has also adopted an ordinance based on the San Francisco model. A sliding scale of exaction has been established for construction of any non-residential building in excess of 125 feet or with a floor area ratio of 8 times the size of the lot, or both.

Boston's ordinance has an allowance for the provision of on-site care, or alternatively, the establishment of an off-site facility in an area within the downtown core. This allows both the developers and the planners a greater degree of flexibility in identifying an appropriate site for the provision of daycare services.

Concord, California

Concord passed an ordinance in 1985 requiring developers of non-residential projects to pay a percentage of the total value of the project into an Affordable Child Care Fund. Any project with a total value of $40,000 or more must provide 0.5% of the estimated value of the building. Developers are given a credit should they choose to provide on-site services.

Projects which can adequately prove that their projects will not create additional demand for existing child care services may be exempted from the levy.

Sacramento, California

The City of Sacramento requires developers of non-residential projects to pay an impact fee for child care services on a sliding scale. The various assessments are as follows:

Office	$0.50/sq. ft.
Research and development	$0.40/sq. ft.
Manufacturing	$0.25/sq. ft.
Warehousing	$0.12/sq. ft.
Retail	$0.37/sq. ft.
Hotel	$0.45/sq. ft.
Other	$0.25/sq. ft.

For residential developments, the assessment is determined using a per unit method of calculation. For every one bedroom unit, $300 must be paid into a child care fund. For two and three bedroom units, the assessment is $375 and $450 respectively.

Contra Costa County, California

The Contra Costa County ordinance contains one of the most explicit and precise methods of calculation of levies for daycare. The levy is applied to both residential and non-residential development. The formulae which have been developed identify a cost-per-child amount for the construction of a new child care facility. They take into account the numbers of children likely to be generated by the new development, as well as the numbers of children likely to require licensed care.

The residential formula is as follows:

(1)		(2)		(3)		(4)		
Total # of Units	x	generation rate	x	women's labour force participation rate	x	50% need	=	Total number of required daycare spaces

The first part of the equation refers to the total number of units being proposed for the development.

The second part refers to the number of children each unit within the new development is likely to generate. In Contra Costa, these figures are obtained from the local school board. Information of this sort is not collected by the Toronto Board of Education at this point in time. However, a model is currently being developed which will enable the planners employed by the Board to make these similar of estimates.

The third component utilizes Census information on women's participation within the work force.

The fourth part refers to the likelihood of parents of children of daycare age to use licensed group care. The Contra Costa County officials have determined the average

rate of usage to be approximately 50%. This figure is based on national studies on parental preference and patterns of daycare usage. In the past, Metro Children's Services has also estimated the number of children of working parents requiring daycare to be 50%. However, due to the inability to meet the annual targets for expansion in Metro, it is impossible to assess the accuracy of this projection.

An example of how this model might work has been provided, using projected demographics and numbers of units expected in the new residential neighbourhood known as Ataratiri being planned east of the downtown core. These figures were generated as part of a study commissioned by the City, entitled *Ataratiri: Study of Community and Social Services*, completed by Peat Marwick Stevenson and Kellogg in 1990.

It is expected that Ataratiri will produce a total of 7,331 residential units, once all of the projects have been completed. According to the study of community services facilities, the total number of residents expected to be housed in this new community is 14,272, of which 1,246 are expected to be children under the age of 9 years. These figures were applied to the Contra Costa formula for projection of need.

Ages 0 - 4 years

(7,331) Units	x	(.08) generation rate*	x	(.57) labour force**	x	.50 50% need	=	167 spaces

Ages 5 - 9 years

(7,331) Units	x	(.07) generation rate*	x	(.63) labour force**	x	.50 50% need	=	162 spaces

* *The generation rate per unit was determined by dividing the number of anticipated children within the area into the total number of units being proposed.*

** *This figure was obtained using data from the 1986 Census for the City of Toronto.*

Using this model, planning staff would be working to achieve a target of 329 licensed daycare spaces. Using the City's standard size of a financially viable centre, in order to accommodate the need for children aged 0 to 4 years, approximately 3 daycare centres, with a licensed capacity of 52, would have to be established. Presumably, the school age component would be accommodated within schools and community centres within the area.

Needs assessments for non-residential development in Contra Costa County are not as straight forward. Developers are required to conduct the assessment, and are provided with a very general methodology. Estimates are formulated after the

number of employees has been determined and the different kinds and ages of employees has been estimated. The number of daycare aged children these employees are likely to have is also estimated by surveying other developments with a similar mix of businesses. Once this has been determined, the number of children likely to require daycare is arrived at by applying the 50% rate of need previously utilized in the residential model.

A daycare facility must be provided if a need has been documented. Assessments may take into consideration existing vacancies within neighbouring daycare centres. Only vacancies in excess of 15% are considered when making a request for a reduction in the amount of the required number of licensed spaces.

Contra Costa County is a growing suburban residential area east of San Francisco. Most of the anticipated new construction will be housing stock suitable for young families, where both parents are likely to commute to their jobs. The characteristics of this community differ quite substantially from the Central Area of Toronto.

However, the degree of specificity in justifying the provision of daycare facilities is unique, and could potentially be modified for use within the Central Area. This model could be employed in instances where projected demographic information can be obtained, such as Ataratiri and the Railway Lands.

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Exaction options in the context of projected future growth

The scope of this paper is confined to the Central Area where many of the more recent developments have been office and commercial projects. In the next few years, a significant number of social housing units are expected to be built, and comparatively little new office construction that would be affected by a daycare exaction in the short term.

The issues surrounding the method and rationale behind exactions within the two different types of developments are distinct and require a thorough examination.

The methods of calculation used in the American models vary dramatically from the precisely calculated formula used in the Contra Costa County model to the more general approach adopted by San Francisco.

The challenge that faces the City of Toronto Planning and Development Department lies in the identification of an appropriate approach for securing adequate funds for the creation of new daycare facilities. Careful consideration should be given to the rationale, intent and type of statistical data required, in an effort to determine the best option for the Central Area.

Commercial development

The majority of exactions enacted by American municipalities are applied exclusively to office and commercial development. The basis of determining the level of exaction varies considerably.

The Contra Costa formula used for commercial development is reliant on accurate estimations of children likely to be generated by a particular development, type of labour force anticipated within the new development and the expected patterns of child care usage. If applied to the Central Area, many of the criteria are not readily identifiable for office and commercial developments.

The Sacramento and Concord examples provide for cash payments only. Experience gained through the City of Toronto's workplace daycare program has shown that the acquisition of appropriate space within the downtown core is a major obstacle to the placement of non-profit community services within the Area. An option which does not provide for the provision of space would have limited use within the Central Area.

The San Francisco model does not involve the same level of detailed information as the Contra Costa formula, but offers a method of calculation which is both simple and related to the proposed new site. It provides for both the provision of space, as well as a cash contribution. The San Francisco model has been applied exclusively to newly constructed office, commercial and hotel developments. Until an extensive needs assessment has been developed and carried out, and a study of current patterns of daycare usage have been conducted, this is in many ways the most appropriate exaction method for a Central Area daycare levy related to office and commercial development.

Residential development

Many of the U.S. exaction models described earlier do not apply to residential development. Sacramento and Contra Costa are the only two communities identified that levy against new housing stock, largely because the majority of anticipated development is market housing. There are a number of considerations for exactions of this nature, which differ quite significantly from office and commercial development levies.

Residentially-based daycare programs will have to be sufficiently large to accommodate school aged children as well. Therefore, the level of exaction would have to be tailored to the augmented level of demand which residential development is likely to produce.

Also, child population projections are much easier to produce for large scale residential development, which in turn may be used to determine an approximate level of demand according to age group. However, these figures are much more difficult to project in smaller scale projects. Consideration will have to be given to modifying the informational requirements for developments under a specified size.

Social housing

Much of the new housing stock to be created over the next twenty years is expected to be social housing. The construction of these units is reliant on the availability and the conditions surrounding Provincial funding. The level of funding for social

housing is determined through the calculation of Maximum Unit Prices (MUP's). Many non-profit housing developers have experienced great difficulty in meeting actual construction costs through the Provincial programs.

In recognition of the Provincial and Federal funding restrictions, social housing developments have been granted exemptions from the recently imposed Parks levy. The scarcity of Provincial dollars makes the inclusion of additional costs into the MUP formula difficult.

While the inadequacy of Provincial funding should not be the sole factor in determining municipal policy, the formidable barrier which additional levies might have on the creation of new social housing stock cannot be discounted. Before such a levy could be implemented, revisions to the Provincial Ministry of Housing policies would have to occur.

The need for daycare services in the new communities being planned, such as the Ataratiri neighbourhood and the Railway Lands, is a critical consideration in the development of successful new neighbourhoods. Clearly, the existing daycare services in the surrounding areas do not have the capacity to serve the newly created need. While on-going advocacy at the Provincial level regarding revisions to the MUP calculations is imperative, a mechanism for the creation of new community-based programs will have to be developed in the short term.

Market housing

While the imposition of a levy on non-profit housing developments is problematic, conceivably exactions could be implemented which apply only to private sector market housing. A formula to determine the need for daycare facilities could be developed by modifying the model in use in Contra Costa County.

In instances such as these, the developer of the project would have to be required to provide projections of the numbers of children the development would be likely to generate. Using this data, Planning and Development staff could then determine an appropriate level of service for the area.

In some instances, it may not be feasible to locate a daycare facility within small scale residential developments. Conceivably, there may not be sufficient indoor and outdoor space to create a viable program in some projects. Therefore, a "cash-in-lieu" option would have to be developed which would provide the funds necessary to create on off-site facility, or enable an existing program within the area to expand to meet the additional need.

Determining need

Underlying all of the models of exactions is an estimate of the unmet need for daycare services. It is a relatively simple matter to document the present need for daycare by tabulating the number of requests for services which could not be met. As outlined earlier, information from centres' waiting lists tells us that there are 1,577 families waiting for an available space in a Central Area daycare centre. Conceivably, targets could be set for an annual expansion of the number of licensed spaces over a number of years, until the need has been met.

It is much more difficult to accurately estimate the future needs of daycare, both for an established community or work site, as well as the new communities that are being planned for the Central Area over the next ten to 15 years.

Many of the American models assume that 50% of all children aged 0 to 9 years will require daycare. In Metropolitan Toronto's planning document entitled "Blueprint for Change" adopted by Metro Council in 1985, the targets for expansion are identified by assuming that 50% of all children under the age of ten will require licensed daycare. In addition, 50% of the children identified as being in need of care are expected to require a subsidy administered through Metro Children's Services. This percentage was arrived at after an examination of various parental preference surveys conducted at the time.

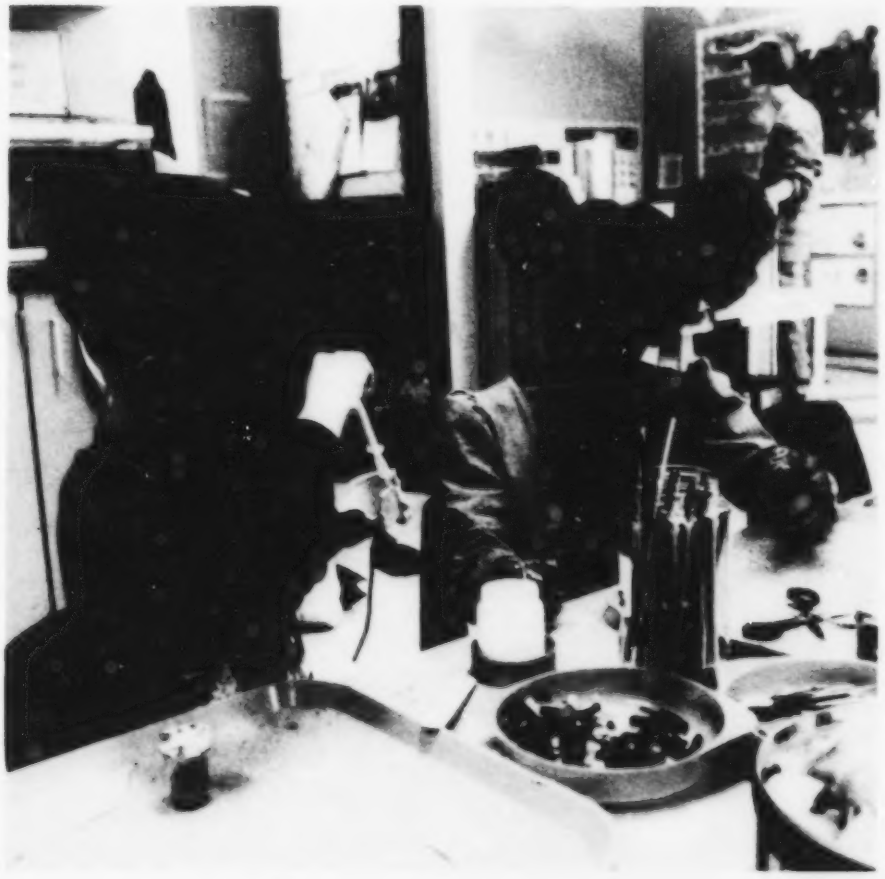
Based on the assumption that 50% of all children will require licensed daycare, an annual expansion of 3,000 subsidized spaces was identified as being necessary in order to meet the need within a five year period.

Targets have not been met because of the Provincial government's unwillingness to cost-share the expansion of the number of subsidized spaces and provide the necessary major capital funds. However, had 3,000 subsidized spaces been created each year since the implementation of the "Blueprint", all of the approximately 6,000 families currently on the Metro-wide waiting list would be served.

The formulae used by a number of the U.S. communities described earlier in this section were based on a projection of the anticipated demand for licensed services based on national studies of current child care usage. A federal study is in the process of being completed, that will look at parental preferences on a national scale and it is expected to be available in early 1991. It is anticipated that this study will provide a more current indication of the demand for licensed daycare services.

Projection of need within the Central Area is made more complex by virtue of the fact that many of the daycare centres within the Downtown core serve parents who work, but do not reside, within the Area. Therefore, any determination of need would have to reflect the preferences of both the residents and the workers within the Downtown core.

There is currently limited demographic data on the potential child care needs of people working within the Central Area. For example, the number of workers with children who work in the Area, but reside elsewhere is not known. Therefore, a prediction of need for work related services based on numbers of children and parental preference surveys is not currently possible. A careful assessment of the existing workplace daycare programs, and the residence of the families using the service, could form the basis of the determination of future need.



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Technical options for the City of Toronto

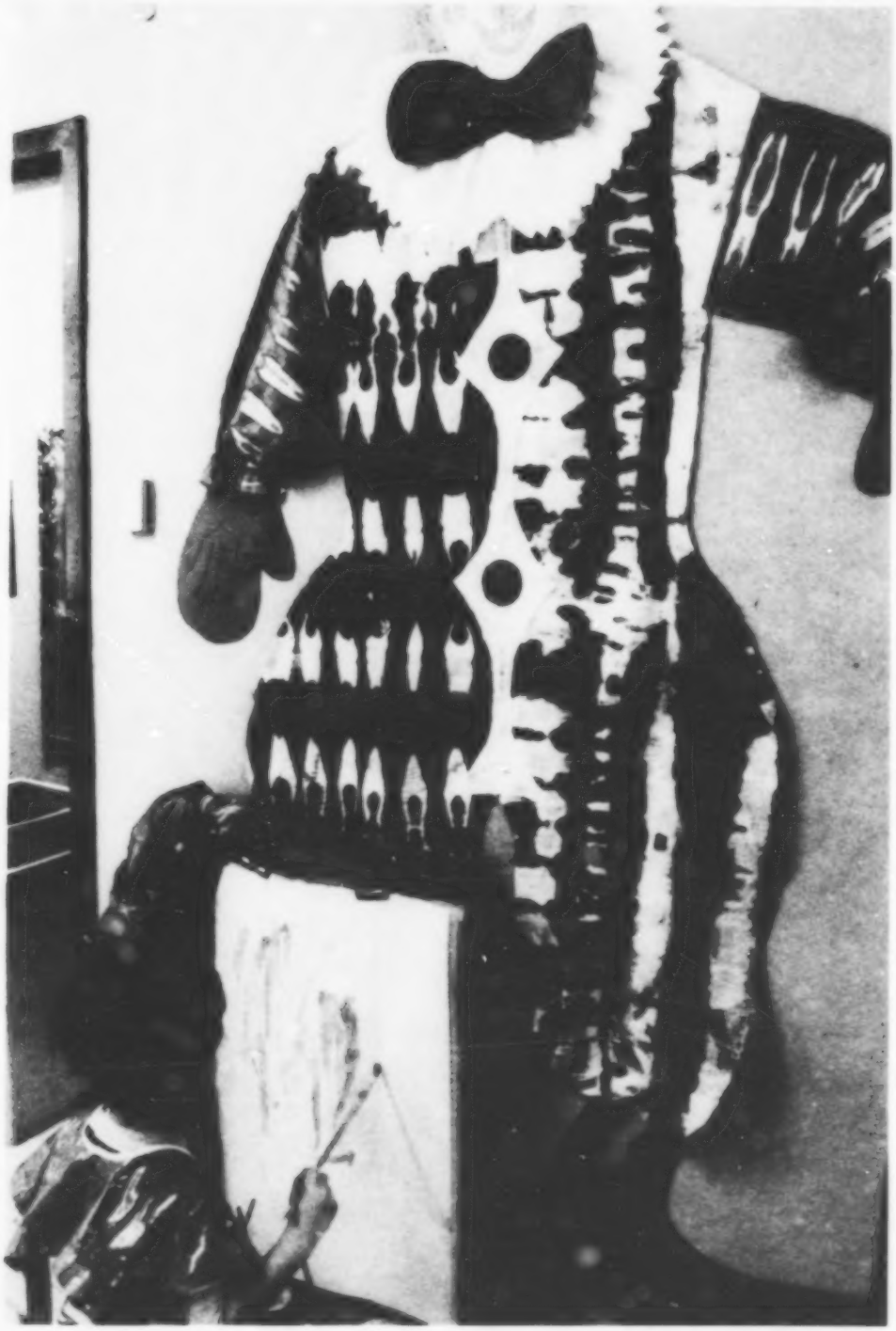
As the survey of the Central Area daycare centres indicates, a significant percentage of families using daycare centres in the downtown area are doing so because it is close to their workplace.

As more office development occurs, so will the demand for this service. The policy of encouraging the creation of workplace daycare centres is still an important consideration in the amelioration of the need for daycare services downtown.

The provision of new spaces will also satisfy future demand for Central Area residents. As the "Central Area Trends Report" indicates, the majority of people employed in the Central Area also reside there (see pp 6-7 for more detail). Therefore, the creation of new workplace daycare programs in the Area will have the potential to serve Central Area residents, as well as workers from other parts of the City.

The success of the programs negotiated through Section 36 of the Planning Act could be replicated through an exaction policy that made the inclusion of daycare into new projects more attractive than a contribution of an in-lieu fee. In addition, a policy that permitted the establishment of off-site programs, using the City of Chicago exaction as a model, would allow both City staff and developers to be more creative and flexible in the placement and design of daycare space.

The primary aim of a daycare exaction should be the creation of new facilities within the new developments, and the provisions contained within the exaction policy should make this option more attractive than a "cash-in-lieu" payment. However, in instances where money is obtained, the funds could be used to off-set the cost of constructing daycare space in new housing projects. This would provide the funds required to construct community-based facilities in the absence of sufficient Provincial funding.



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Strategies for the future

Daycare services are an integral part of the fabric of City life. In recognition of the role which daycare services play in the lives of working parents, the City has played a significant role in the facilitation of daycare programs in the Downtown core.

There is still a considerable need for licensed child care services for City of Toronto residents. While the use of Section 36 agreements has been a very useful tool in establishing daycare programs, the focus of the Department has been primarily on workplace centres as opposed to community-based programs. While the need for both types of services is unquestionable, there is a definite role for the City to play in the establishment of community-based, non-profit programmes. Of particular concern is the provision of services in new communities being planned, namely Ataratiri, Harbourfront, the Railway Lands, the Queen-Dufferin area, East Downtown and the St. Lawrence Neighbourhood.

The implementation of a daycare levy similar to the American models would not only provide space within newly constructed work sites, but could also be used to establish a pool of funds for the development of community-based services.

The major barriers to the creation of non-profit programs have traditionally been the lack of provision of rent-free space, shortages of capital funds and on-going operational funding. The following strategies would support creating daycare services:

1. **That the City of Toronto Daycare Grant be retained as a vehicle for providing on-going support to non-profit daycare programs. In addition to providing salary enhancement funds to programs, consideration should be given to broadening the mandate of the Grant to allow for more innovative forms of support;**
2. **That the City Solicitor be requested to report on a generalized levy for daycare, if it is determined that the Development Charges Act cannot be used by the City of Toronto to facilitate new daycare facilities;**

3. Until an appropriate mechanism for implementing a generalized daycare levy can be identified, the provision of daycare facilities within new developments continue to be secured by using the appropriate powers in the Planning Act;

4. That a City-wide daycare needs assessment be conducted as part of the overall community services need survey, as recommended by the Starr Group's report, prepared for Cityplan '91, entitled "The Community Services Policy and Planning Study". This assessment shall form the basis of the planning process with respect to the location of new daycare facilities;

5. That the Commissioner of Planning and Development be requested to report on an appropriate formula for the generation of daycare need within the City of Toronto as a result of new residential and commercial development;

6. All new City initiatives, including community and recreation centres and social housing projects, be required to consider including daycare programs into the project;

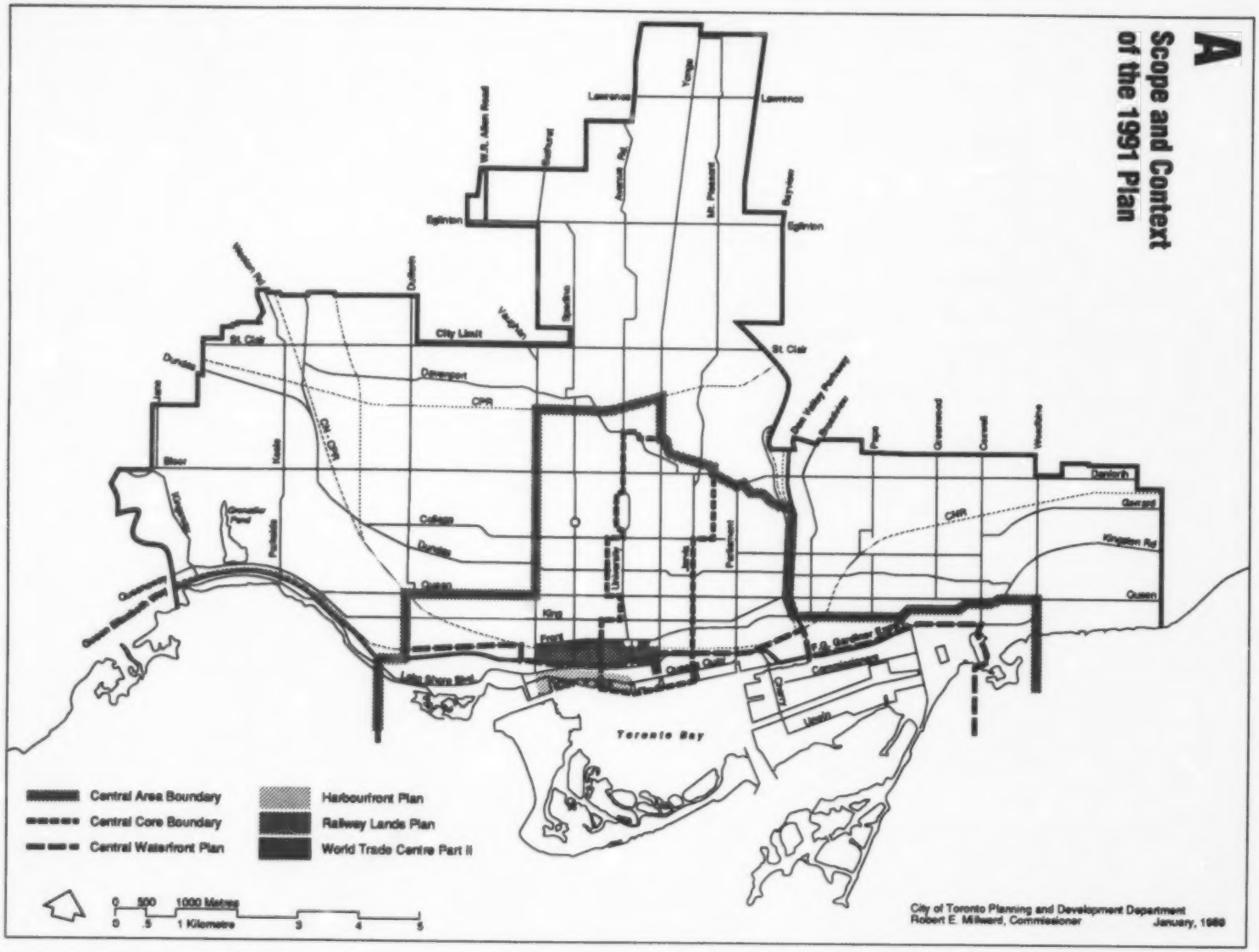
7. That the City continue to advocate to the Ministry of Community and Social Services for adequate Provincial funding for subsidies for eligible families;

8. That the City continue to advocate to the Ministry of Community and Social Services for sufficient Provincial funds for capital construction and start-up grants for new daycare facilities within the City of Toronto;

9. That the City advocate to the Ministry of Housing for changes to the funding guidelines for social housing so that daycare facilities could be readily included in new non-profit housing developments.

Appendices

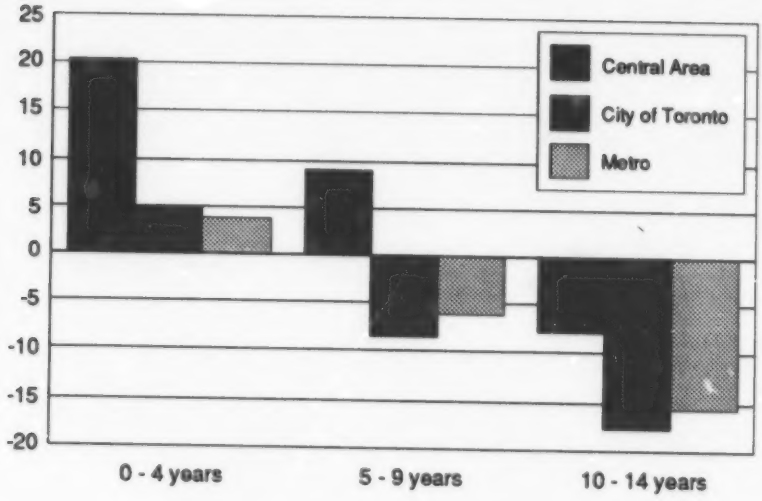
A
Scope and Context of the 1991 Plan



B

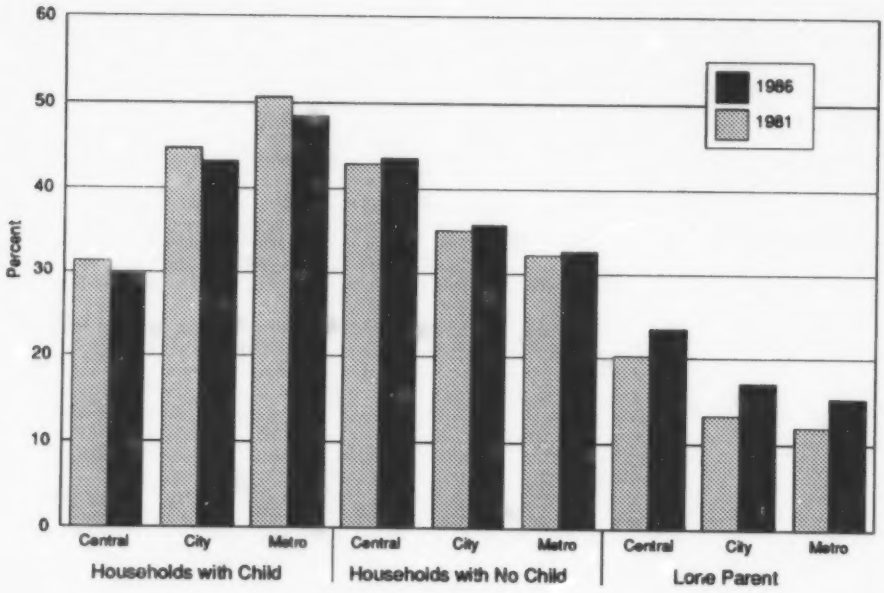
Younger Age Groups

% Change in Population 1981 to 1986



C

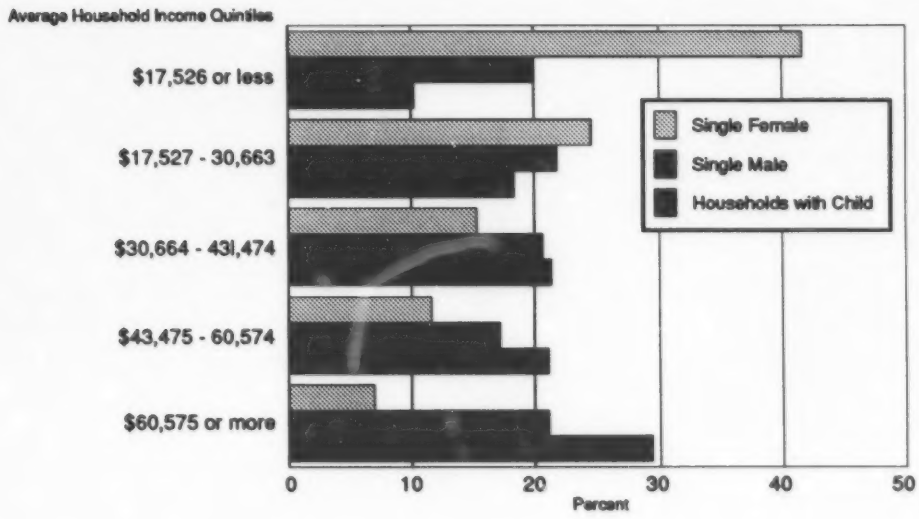
Family Composition



D

Household Income

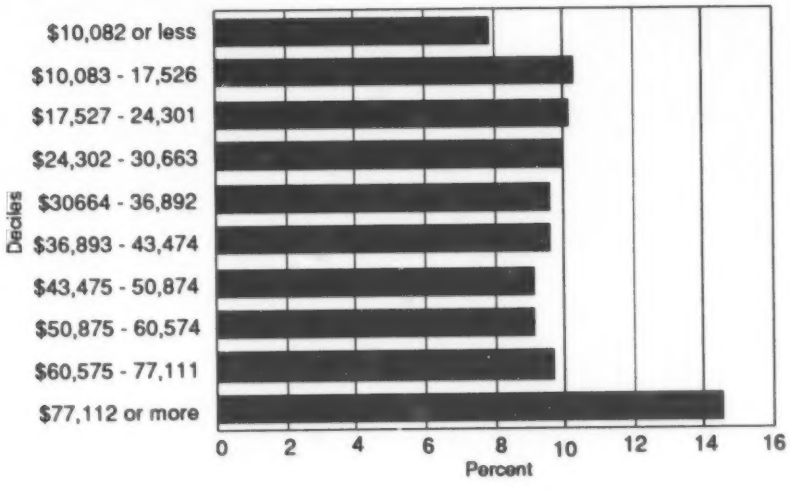
by Family Type

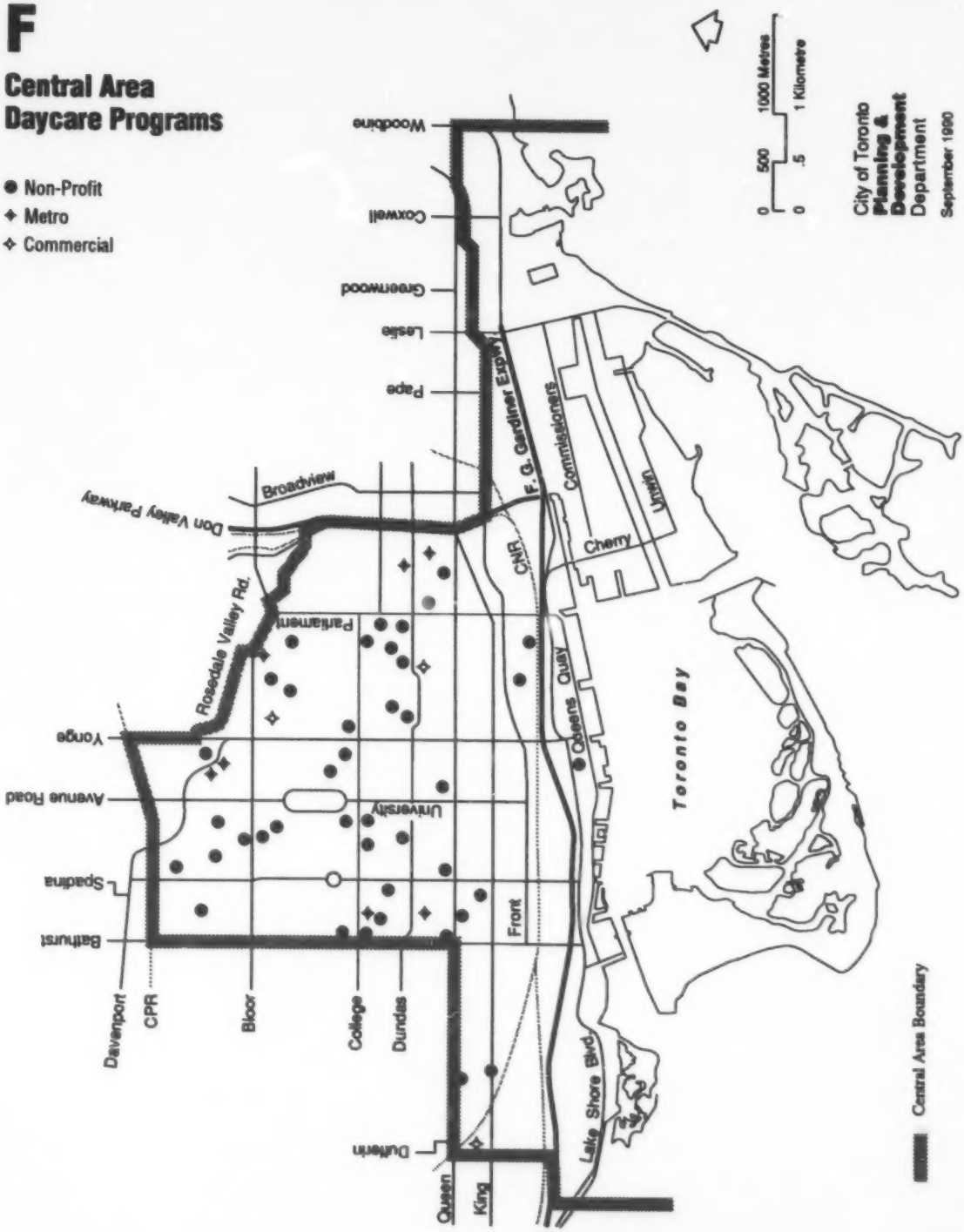


E

1986 City of Toronto Family Households

by Regional Income Deciles




F
Central Area
Daycare Programs
Non-Profit
Metro
Commercial
0 500 1000 Metres
0 .5 1 Kilometre
City of Toronto
Planning &
Development
Department
September 1990
Woodbine
Coxwell
Greenwood
Leslie
Pape
Broadview
Don Valley Parkway
Rosedale Valley Rd.
Parliament
Yonge
Avenue Road
Spadina
Bathurst
Davenport
CPR
Bloor
College
Dundas
Queen
King
Dufferin
F. G. Gardiner Expwy
Commissioners
Unwin
Cherry
CNR
Queens Quay
Toronto Bay
Lake Shore Blvd
University
Front
Central Area Boundary

G

Central Area Survey Results

		Reasons for Use					Priorities				Needs					Constraints								
Centres	Enrol	Live	Work	On Way	Space	Program	Local	Work	Other	No	Spaces	Special	Extended Hours	Multi Cultural	Other	Hours	Space	Accessible	Mandate	Staff	Training	Funds	New Staff	Expansion Plans
Brant Street	54				54				School		X						X			X		X	X	Y
Campus Co-op	50	6	7			37		X			X	X	X			X					X			N
Catholic Settlement	63	15	25	3	5	15	X		1 parent		X			X			X						X	Y
Central Neighbourhood	34	24	3	1	1	5				X	Subsidy	X	X	Asian	Infant	X	X	X		X		X		N
Christian Community	38	28	4	6			X	X							Infant			X		X				N
Church of the Messiah																								
Church Street	62	40	22							X	X	X					X				X		X	N
Damascus	32	25	2	2	3			X	Siblings		X	X	X	X		X	X	X				X	X	N
Felician Sisters	19	4	10	3		2				X					Subsidy									
Garderie la Farandole																								
Hester How	49		49					X							Part-time		X			X				Y
Huron Superfriends	50		40	10					School		X						X		X	X			X	N
Hydrolids	62		62					X			X						X		X					N
Kensington	36	7	8	8	3	10		X			X	X			Infants		X		X		X	X	X	N
Kidspace	24		8	9	7			X																
Les Scouts des Choux	38	8	10	10	5	5				X					Infants				X	X		X		N
Lord Dufferin	30	15	15						School					X						X		X	X	N
Margaret Fletcher	56		56					X			X				Infant		X		X					N
Mooredale	98	46	9			43				X														
Ogden	42	25	17							X	X	X					X	X		X	X		X	N
Orde	99	50	49				X	X	Siblings		X	X	X	X	Diets	X	X	X	X		X	X		N
Queen's Park																								
Rose Avenue	30	30								X	X		X	X		X	X							N
Snowflake	23	4	1		2	16				X	X		X	X	Subsidy		X	X						N
South Drive	37	30				7	X	X			X						X							
St. Lawrence	115	80	15	10		10				X	X				Part-time				X					Y
St. Stephen's	131	48	22	40	6	15				X		X			Subsidy		X				X			N
University Settlement																								
Walmer Road	64	32	15	5						X	X											X		N
Total	1338	517	449	107	86	177	4	10	6	11	18	8	6	7	11	5	16	6	7	8	6	8	9	Yes: 4
Percentage	25	39	34	8	6	13	16	40	24	44	72	32	24	28	44	20	64	24	28	32	24	32	36	No: 17

H

Daycare Survey Questionnaire

CENTRAL TORONTO
DAYCARE SURVEY

1. Name of Centre: _____

   Address: _____

   _____

2. What is your total enrolment? _____

3. Please indicate the approximate proportion of parents who chose your daycare centre for each of the following reasons:

   ___ It is close to where they live

   ___ It is close to where they work

   It is neither close to their work or home, but

   ___ It is on the way from home to work

   ___ It was the only centre with available space for their child

   ___ It was the only centre with the type of programming they desired

4. Do you give priority to any type of user of your centre?

   ___ Local residents

   ___ Workplace employees

   ___ Other: _____

   ___ No priorities

Page Two

5. Have you experienced a need for services which you are unable to provide?

☐ YES ☐ NO

If yes, what are these needs? (check as many as necessary)

___ more daycare spaces

___ care for children with special needs

___ extended hour care, i.e., evenings and/or nights

___ multicultural/linguistic services

___ Other: _____

Please indicate why you cannot meet these needs: (check as many as necessary)

___ limited hours of operation

___ building not accessible to disabled persons

___ inadequate space

___ not in centre's mandate

___ not enough staff

___ would require additional staff training

___ inadequate funds

___ difficulty finding new staff

Does your centre have any plans to increase services to meet these needs?

☐ YES ☐ NO

If yes, please describe these plans: _____

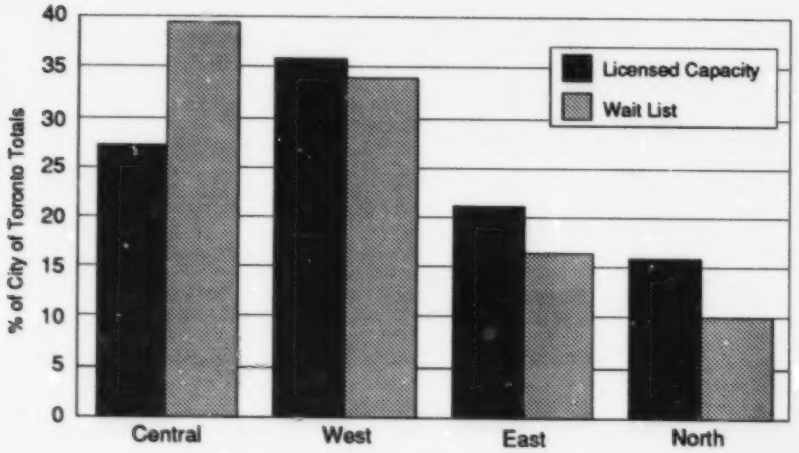
_____

_____

_____

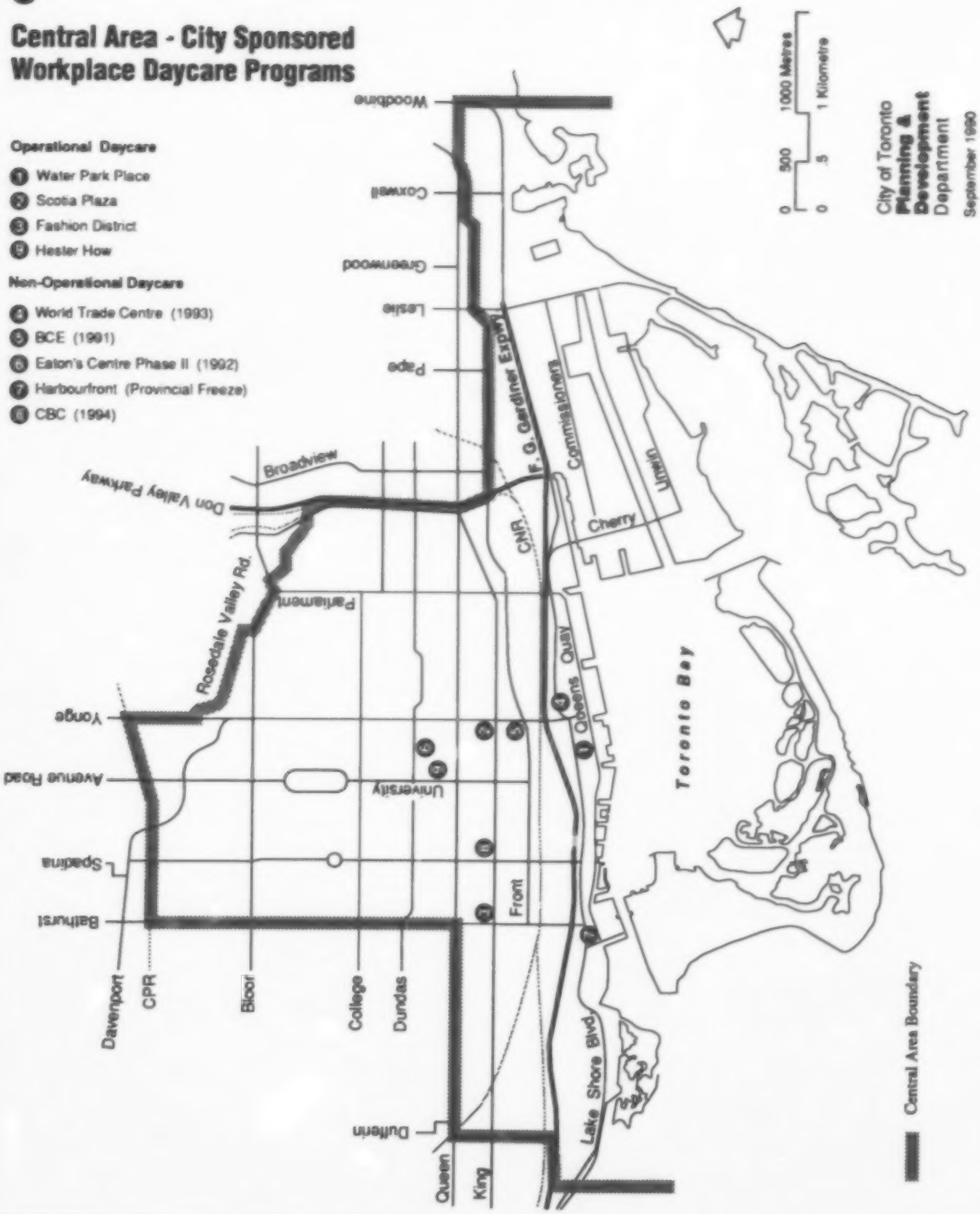
_____

Supply and Demand for Daycare Spaces
by Region of City of Toronto



J

Central Area - City Sponsored Workplace Daycare Programs



Cityplan '91 Reports and Publications

No. 1 **Framework for Preparing the 1991 Central Area Plan**
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May 1989 $5

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January 1990 $10

No. 4 **Planning Toronto's Future**: A Compendium of Community Views, Part 2
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No. 5 **Central Area Trends Report**
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No. 6 **Integration and Independence**: A Demographic Profile of People with Disabilities, and Policy Options for the 1991 Central Area Plan (Also available in large print, braille and on audio cassette)
January 1990 $7

No. 7 **The Central Area in Transition**: Findings of the Central Area Residents' Survey, 1989
April 1990 $7

No. 8 **Office Occupancy Patterns**: Office Occupancy Study for the Central Area of the City of Toronto
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No. 9 **Environmental Backgrounder**: Environmental Planning Issues and Concerns in the City of Toronto, Part 1
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Kidsviews: Toronto's young people speak for their future
January 1991 $10

Proceedings from the Forum on the Future of the City of Toronto, May 27-31, 1990
1990 $20
VHS video tapes (11) of the Forum not for sale but can be viewed at the City of Toronto Archives (City Hall) or Metro Toronto Reference Library (789 Yonge St.) Audio Visual Services Department or borrowed from one of the Toronto Public Libraries' four film collections: Film Dept., 40 Orchard View Blvd.; Spadina Road Branch; Bloor and Gladstone Branch; Danforth and Coxwell Branch.

Goals and Principles for a New Official Plan:
A Report of the Cityplan '91 Task Force
1990 (Out of Print)

City Planning Magazine, Special Issue
Spring 1990 Free